Making Tax Digital (MTD)

As of the 2 August 2021, an estimated 89.4% of all businesses mandated to join from April 2019 are now signed up to the MTD service. The proportion of non-mandated businesses who have signed up voluntarily is currently around 32%. The team are continuing to work to raise awareness of MTD for VAT and are developing a communications plan for those remaining businesses who will be mandated to MTD from April 2022.

We are developing a range of webinars and events which are due to take place across the autumn and beyond in order to help prepare businesses who will be mandated to sign up for MTD for VAT from April 2022. We are also continuing to work with a range of Professional Bodies and co-hosting at other events to ensure that we are able to present MTD for VAT to a wide range of audiences.

This month HMRC opened a new 6-week consultation on Basis period reform - consultation - GOV.UK (www.gov.uk), and we would welcome your views on this. The consultation asks for views on how best to implement a proposal to simplify the rules under which profits of an unincorporated trading business are allocated to tax years using basis periods. Please share your views with us by emailing businessprofits.admin@hmrc.gov.uk. Additionally, HMRC officials are willing to meet online with interested parties to discuss any aspect of this consultation. We have also published an independent research report commissioned by HMRC on the Impact of Making Tax Digital for VAT - GOV.UK (www.gov.uk). The report focuses on the impacts of MTD VAT on businesses. The research produced robust quantitative evidence in a range of areas, including record-keeping behaviour, scope for error, costs of compliance, benefits to business and customer experience of MTD VAT. We continue to work closely with developers in identifying eligible customers to test the service for MTD ITSA and have shared a roadmap which outlines when different types of businesses will be able to come into the MTD pilot.

Trust Registration Service (TRS)

We are pleased to tell you that the Trust Registration Service will open for non-taxable trust registrations for all customers from the beginning of September

All UK express trusts are now required to register with HMRC, including non-taxable trusts, unless the trust is specifically excluded.

More information on the trusts that need to register and the trusts that are excluded can be found at Personal tax: Trusts and Estates - detailed information - GOV.UK (www.gov.uk)

Further detailed technical information can also be found in the Trust Registration Service Manual - HMRC internal manual - GOV.UK (www.gov.uk)

Non-taxable trusts have approximately 12 months to register from the date the Trust Registration Service is made available to all non-taxable trusts.

To register a trust as a trustee, go to GOV.UK and click on the register now button.

To register a trust as an agent, go to GOV.UK and click on the register now button.

Claim a trust

We previously told you that we intended to make changes to the claim a trust process, to remove the requirement for the trust to be claimed by the client to authorise an agent to make changes to the trust details.

Unfortunately, after further investigations, we have now learnt that this is not possible.

We know that removing the claim a trust process would have improved the experience of users, which is always something we strive to do. However, in this case for security reasons unfortunately it has not proven possible.

The claim a trust process is a security requirement which is in place to protect the data held on the service and ensure that only those who are entitled to see the data can do so. It means the requirement for the trust to be claimed and amended by the client t must remain in place.

We apologise for any confusion this has caused. We continue to work to improve the experience for users of the Trust Registration Service and endeavour to make the service as easy as possible for our customer to use.

Agent Forum (AF)

As at the end of July 2021 the Forum had 1692 registered subscribers with 35 joining in July, including Professional Bodies, which exceeds the amount of 1229 users signed up to its predecessor forum. We are separately inviting various customer groups with Capital Gains payment liabilities or Trust registration responsibilities to HMRC; the Law Society and Society for Trust and Estate Practitioners (STEPS) amongst them.

Registrations have exceeded the levels of its former platform and will continue to grow as new Agents are invited to register as part of their email Agent journey. Participation and issues traffic are also increasing. We are also stepping up our recruitment of internal HMRC users.

In 21/22 we have received 376 widespread issues so far, dealing with and closing 329 across all Heads of Duty. We continue to support agents and their clients through the COVID-19 crisis and have a live dedicated panel to deal with related issues and publish guidance for all associated schemes including the Self-Employed Income Support Scheme (SEISS) and Job Retention Scheme (JRS). We have set-up two new boards, one for Agent Forum user information which will make the guidance easy to access and one for the Issues Overview Group (IOG) escalated issues. We have in conjunction with our IOG stakeholder colleagues, put in place procedures to identify high priority widespread issues to be taken forward for resolution with our internal technical specialist and communications partners. This is being monitored by the Agent Forum team and others.

We continue building our internal HMRC Subject Matter Experts (SMEs) capability, formalising recruitment from across HMRC to improve the quality and timeliness of issue resolution responses and to focus on Agent Forum operations. Performance metrics so far for 21/22 include over 20,450 forum views. All posts are moderated daily with appropriate responses given, as determined by subject matter, related traffic generated, and referrals provided by lines of business. We have reviewed our performance metrics to more effectively manage our live 'aged cases' portfolio, given we better understand new functionality provided by the MS Dynamics platform.

The Digital Customer Support Services (DCSS) Agent Team is staffed by a Service Manager and 3.5 FTE Moderators.