

Agent authorisations

General Features

31 March 2020

At its last meeting, the newly formed Agents Digital Design Advisory Group discussed the process of agent authorisation and the digital handshake.

In January's edition, we advised readers of a new group which has been set up to help bridge the gap between tax policy and implementation. The Agents Digital Design and Advisory Group (ADDAG) has been created to look at the development of digital services from the agents' perspective.

The group's current priority is how clients will authorise their agents to act and at our last meeting we discussed HMRC's current plans for future agent authorisation processes.

From HMRC's perspective, any authorisation process must meet specific requirements to make sure that their staff are confident that they have a clear authority in place to release data to an agent in accordance with the General Data Protection Regulation rules. From the agent and client perspective, the process needs to be easy, efficient to manage and give the agent quick access to all required information.

As new services are developed, HMRC will be moving from a paper-based 64-8 system to a 'digital handshake' – similar in principle to the authorisation approach for clients in Making Tax Digital for VAT. Such a process is more secure from HMRC's perspective and should give more control to the taxpayer over what they appoint agents to do, and when. However, the current digital handshake requires a taxpayer to be able to set up a Government Gateway account and verify their identity online before they can confirm the agent's appointment – which is not something that all clients are able or willing to do. Addressing how both the digitally excluded – and the larger group of 'digitally challenged' or 'digitally unwilling' clients – will be able to appoint agents is vital.

The next service to go live using a digital handshake is the CGT Property Reporting Service. This is a newly developed, standalone portal to report UK residential property disposals from 6 April 2020 within 30 days of completion. The same service will also be used for non-resident capital gains tax reporting from that date. While HMRC do appreciate that some taxpayers will not be able to manage to report online and will be providing alternative routes for direct reporting to HMRC, at the time of writing we do not know the details of precisely how a digitally challenged client will be able to appoint their agent. ATT, CIOT and other bodies have raised concerns about this and are working with HMRC to identify alternatives.

Members of ADDAG also expressed concerns about the apparently piecemeal development of services like the Property Reporting Service, the Trust Registration Service, etc. To some extent we need to appreciate the challenge that HMRC have in co-ordinating a large number of legacy systems. Until all their services have been migrated to more modern platforms, it is impossible to pull the authorisation process together. Equally, HMRC do not have control over policy decisions or ministerial priorities which can disrupt timetables. However, it would be helpful if each new service at least followed the same steps and made the same provisions for the digitally challenged.

To inform our future feedback into this group, we ran a mini-survey in March to ask agents about their experiences of specific aspects of HMRC Online Services – thank you to those who took part. We are always happy to hear from members about their experiences of interacting with HMRC digitally. Please contact Helen

Thornley directly on the email below or on atttechnical@att.org.uk.