Digital connections

Management of taxes



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Helen Thornley considers what advisers need to know about the new Agent Services Account

Key Points

What is the issue?

As part of their MTD programme, HMRC are developing new digital services for agents.

What does it mean for me?

The ASA allows an agent (whether sole practitioner, partnership or limited company) to access new HMRC online services being developed as part of MTD.

What can I take away?

The ASA exited its pilot phase in November 2017, and HMRC are encouraging all tax agents to get their ASA set up now.

The new Agent Services Account – what does it mean for my firm?

As part of their MTD programme, HMRC are developing new digital services for agents. This includes a new gateway through which agents will interact with HMRC about their clients' affairs – the Agent Services Account (ASA).

The ASA exited its pilot phase in November 2017, and HMRC are encouraging all tax agents to get their ASA set up. Setting your ASA up now ensures that it is up and running ready for April 2019. So what is the ASA and what can you do with it?

What is the new Agent Services Account?

The ASA allows an agent (whether sole practitioner, partnership or limited company) to access new HMRC online services being developed as part of MTD. For large organisations or groups, where the tax department may be set up as the 'agent' for online services for the group members, HMRC expect to come out with a proposed design for how they will access MTD services on behalf of their organisations later in the Autumn.

At present it is possible to use the ASA to:

- Register a client's trust or estate via the Trust Registration Service (TRS).
- Use software to submit quarterly updates for clients enrolled on the MTD for Income Tax or MTD for VAT pilots.
- Complete a more agent-friendly version of the social security enquiry form CA8421i (see below).

HMRC are working on improving the usability of iForms. The CA8421i form, used to check which country's social security legislation applies to your client, is the first form to be trialled in the new template. It is expected that more forms will be based on this template in the future. The new iForm template includes features such as:

- the ability to save and return to a form, and

- the ability to print a completed form, or save as a PDF, so that it can be sent for client approval prior to submission.

How to set up an ASA

The first step is to consider who should set up the ASA for the agent. As this will be the sole account for the practice, and will be used for all new MTD services, it should be set up centrally.

Whoever sets up the account will need access to:

- An existing set of government gateway credentials (see below) for any online service the agent is currently using (e.g. Self-assessment, VAT, Corporation tax etc.).
- The agent's own tax reference. This will be a personal UTR for a sole practitioner, a partnership UTR for a partnership or the corporation tax reference for an incorporated business.
- The postcode associated with the agent's tax reference.

A new set of government gateway credentials will be created as part of the process for the agency to access their ASA. These credentials are a user name, consisting of 12 characters, and a password. The agency will also be allocated a new Agent Reference Number (ARN). It is important to record both the new access credentials and the ARN somewhere safe as they will be needed in the future. These details are not sent to the agent, hence the importance of recording them from the setup screen.

During the set up process, the agency will be asked to supply a postal address and also an email address. The agent can use a different postal address to that associated with their UTR. The email address will be used by HMRC if the details of the government gateway credentials are lost, or to communicate about administrative matters. It will not be used for client matters. A suitable email address, which will always be accessible to all relevant people in the agency, should be chosen. A sole practitioner should consider how their alternate will be able to access this information if required.

A more detailed description of the set up process can be found in two recent HMRC *Talking Points* webinars from April and May. The process is constantly evolving, so please be aware that some screens may look a little different from those shown in

the webinars.

It is possible to add further security to an ASA by adding 2-Step Verification (2SV). This requires the entry of a pin-code supplied to a mobile, landline or authenticator app as well as the user-name and password. This is already in place for Personal Tax Accounts and Business Tax Accounts. For the time being 2SV is optional for the ASA, and HMRC are working with firms to understand the practical difficulties that they may have with receiving 2SV codes.

How should a firm manage access to the ASA?

One of the big differences to existing online services is that there will be only *one* ASA per agent, regardless of the size of the business. Firms will therefore need to consider carefully how they manage access to their ASA within their organisation.

Even before setting up their ASA, many firms will already have different online service accounts for different offices, teams or different taxes. Multiple online service accounts help to manage staff access to data. For example, a practice with a number of offices may have a separate account for online self-assessment services for each office. Each account will have its own government gateway credentials which are often shared around teams, or managed in the background via the firm's IT systems.

Where the agent is accessing their ASA via software (for example to file a quarterly update under MTD for VAT) then their software will generally hold the government gateway credentials to access the ASA. Where 2SV has been set up, the pin-code will only have to be re-entered into the software every 18 months. The agent should be able to use their software to control the access that individual staff have to client data. This should allow the agency to restrict the client data that staff can see to clients in their team, department or office.

Where the staff member needs to access the ASA directly via a web browser, for example if they are logging on to carry out a transaction such as registering a trust on the TRS, then controlling access is more complicated.

While firms could simply share the single set of login details for the ASA with all staff, HMRC would prefer for security purposes that credentials are not shared in this way. It is also unlikely to be acceptable from the firm's perspective. A staff member logging in with the main firm credentials could potentially see all client transactions

in progress at that time. (Note: In practice an iForm which is in progress is protected by an access code so all client data is not quite as accessible as it sounds).

To help address concerns about access, there is a *manage users* function which will soon be accessible from the main homepage of the ASA. This allows the creation of individual credentials for each member of staff who needs to access the ASA. This functionality has always been available on government gateway accounts, but is now more visible.

When a staff member logs on with their own individual credentials, they should only be able to see the transactions that they have initiated. This should help restrict access to client data, but can be a problem if the staff member is unavailable or another member of staff needs to review the data. For example, if a staff member has started a TRS registration after logging into the ASA with their individual credentials, it will not be visible to another member of staff logging in using their own credentials.

HMRC are aware of the limitations of the *manage user* functions and again are working with firms to understand how this can be improved. Many firms would presumably wish to have an ability to restrict staff access to specific groups of clients.

What about existing clients?

HMRC has spent a lot of time developing a system which allows agents to connect existing clients to the new ASA. This should avoid the need to re-authorise all the agency's current clients.

The process involves linking all of the agency's existing online services accounts to the new ASA. This is a one-off exercise which can be carried out by following the link to 'allow this account to access existing clients' on the agency's ASA home page.

Once the existing accounts are linked to the ASA, then the ASA will recognise any of the agency's clients registered to that account, provided that the agency has previously acted online for that client. Where an agency has only been authorised for Corporation Tax and PAYE but not VAT, the ASA should only reflect the extent of the existing authorisations. The client would need to supply further authorisation for the agency to act on VAT matters.

The ASA page does not hold client lists. For MTD, these will be managed through the agency's software.

What about new clients?

Since agents are likely to be using their existing online services for some time yet, it is likely that they will be continuing to add clients to, and remove clients from, their existing HMRC online services accounts.

For example, when a new self-assessment client is signed up unless they want to be part of the MTD for Income Tax pilot they will initially be added to one of the agency's existing self-assessment online accounts. Provided that this account has been linked to the agency's ASA, then the new client should also be recognised on the ASA.

It is also possible to authorise a client directly through the ASA with a new, online service. This might be relevant, say, if you are taking on a new client who wants to take part in the MTD for VAT pilot. However, if you will need to access other online services which are not yet available on the ASA, for example if you will be filing a corporation tax return as well, you will still need to obtain authority to act via one of the agency's existing online services accounts in the usual way.

What about overseas agencies?

For the time being, only UK agents can sign up digitally and create their ASA. We understand that the facility for overseas agencies dealing with UK tax matters to create an ASA should become available during December 2018.

Where can we see if the ASA is up and running?

You can check the availability of the ASA, and details of any planned maintenance or other issues, on GOV.UK.

What about existing Government Gateway accounts?

Existing online services accounts will be unaffected by the creation of the agency's ASA. Agents will be able to continue to use them until all services are migrated to the ASA. As of July 2018, the timescale for the full transition to the ASA has not been announced.