Agent authorisation: how will it work in future?

Management of taxes

30 July 2020

The Agents Digital Design Advisory Group is continuing to look at the issue of agent authorisation and how it will work in future.

In Tax Adviser in April, we reported HMRC's progress in developing a new form of agent authorisation – the digital handshake. With the ultimate goal of replacing paper authorities like the form 64-8, a digital handshake allows a client to authorise their agent to act online, via their Government Gateway account. A process of this kind (although the design does vary from service to service) is already in use in systems such as the UK Property Reporting Service, Trust Registration Service and Annual Tax on Enveloped Dwellings reporting.

The process of agent authorisation and the digital handshake is a key concern of the Agents Digital Design Advisory Group (ADDAG). The issue was discussed in June and, with further meetings planned for July and August, feedback from members on this important issue – and volunteers for testing – would be very welcome.

Properties of Agent Authorisation Process

Following the latest ADDAG meeting, CIOT's Digitalisation and Agent Services Committee and ATT's Technical Steering Group have discussed what sort of properties any new authorisation process would need to have.

Firstly, any process needs to be consistent across all heads of tax. The existing handshakes for appointing an agent under the UK Property Reporting Service and the Trust Registration Service have been developed separately and the result is that clients have to follow two subtly different routes to appoint their agent.

It is also helpful if a client can appoint more than one agent for any given service, and at the same time a balance needs to be struck between the desire for a

granular, service by service level desired by HMRC and specialist agents, and the more overarching authority demanded by general practitioners.

If you have comments on what agents require from the authorisation process, please send them either direct to us or to atttechnical@att.org.uk or technical@ciot.org.uk.

Digital exclusion

A common concern expressed by many agents is how their digitally excluded clients who cannot operate a Government Gateway account will manage to complete a digital handshake.

HMRC have reassured us that there will be a route for the digitally excluded, which is welcome. More work is needed on the definition of digital excluded; specifically, whether the current definition of digitally excluded as applied to Making Tax Digital (MTD) for VAT can fairly be applied to a much wider population.

Again, thoughts are welcome on how the current digitally excluded definition has worked for clients subject to MTD for VAT and whether the same definition should be used for the wider population. The recent experience of clients making Self-employment Income Support Scheme claims, which required self-employed individuals to set up a Government Gateway account (if they had not already) and negotiate GOV.UK to make their claim, may also be relevant here in considering how well clients will cope with digital handshakes in the future.

Channel gaps

Returning to the current agent authorisation landscape, ADDAG has also been looking at existing processes and has identified two kinds of gap. The first is where the agent simply does not have access to the same information that a client can access; the ATT and CIOT regularly ask HMRC for agents to be able to see and do what their clients can.
The second issue, on which the ATT has recently prepared a paper to present to HMRC, relates to so-called channel gaps. This is where the agent has authority, but that authority does not give them equal access to speak to HMRC over all the communication channels (online/paper/telephone). A classic example of this is the online MTD for VAT authorisation, which allows agents to submit MTD for VAT returns online but is often not accepted as sufficient authority by HMRC phone lines. HMRC are looking at this, although it may be limited in what is possible here because of the

range of different systems involved.

Any other examples of similar channel gaps would be welcome.

Volunteers wanted

Finally, HMRC are looking for volunteers to test a bulk sign-up facility to submit returns for MTD for Income Tax. Under MTD for VAT, it was necessary to sign up each client individually even if the agent was already authorised to act under a form 64-8. Given the larger population potentially within scope for MTD for Income Tax, a bulk sign-up approach for existing clients would presumably be welcome.

If any agents are interested in testing this out, please let us know. We are assured that this will not involve moving clients to this service before MTD for Income Tax is mandated!