

4.11 Agent authorisation and personal tax accounts

4.11.1 Agent authorisation

When an adviser starts acting for a person, authorisation needs to be in place to allow the adviser (called “agent” by HMRC) to liaise with HMRC on the person’s behalf and to gain access to his or her self-assessment account online. This authorisation to act on the individual’s behalf is extremely useful in respect of people who are living overseas and who are non-resident, particularly if they live in a country with a poor postal system such that it is difficult to receive HMRC correspondence in a timely manner, if at all (see the example below). An agent in the UK is therefore obviously an advantage for the non-resident.

Authorisation can be put in place using a paper form 64-8, sent in the post to HMRC’s Central Agent Authorisation team at:

National Insurance Contributions and Employer Office
HM Revenue and Customs
BX9 1AN
United Kingdom

HMRC only accept the original signed form and not copies, which for non-residents can cause issues if they live in a country with a particularly poor postal system (again, see the example below). In this scenario, non-residents are often forced to send the form off by courier (at great expense!), in which case the address to send the 64-8 to is:

HM Revenue and Customs
BP8002
Benton Park View
Newcastle Upon Tyne
NE98 1ZZ
United Kingdom

Agent authorisation can also be achieved online. How this is achieved depends on the tax service required by the individual – see <https://tinyurl.com/45rw2f32> (how to get authorised as a tax agent). The two most common services British expats will require from an agent are self-assessment and CGT on the sale of UK property:

- via the agent's Government Gateway User ID (online agent authorisation) for self-assessment; or
- a digital handshake for CGT on UK property.

An authorisation that is in place for self-assessment will not be valid for dealing with the client's CGT on UK property account, so separate authorisations will need to be obtained for each service.

Online agent authorisation for self-assessment can only be used if the client is first registered for self-assessment. Even where the client is registered, however, there are still sometimes practical issues for individuals living overseas. This is not always the fastest way and is often simply not possible as, at the time of writing, part of the process involves HMRC sending out in the post to the individual concerned an authentication code. The individual then passes this code on to his or her adviser, who then has to input the code to finalise the online authorisation process. The issue with this method is that the adviser needs to input the code within a time limit, which is usually 30 days of the code being issued. This limit is impossible to meet for many non-resident individuals, as the code often arrives with the non-resident after the deadline to input it, even when they live in a country with a relatively good postal system.

Example

Peter, a British citizen, has been living overseas for many years. Currently, he lives in Sierra Leone, working for a major mining company. He has been having problems receiving mail from HMRC – some of it arrives, but many months later, and some never does.

It seems that after years of not having to file tax returns in the UK, Peter for some reason has been issued with notices to file a return, even though his circumstances have not changed, so this is something he was not expecting. He did not receive these notices and the only reason he knows about the requirement to file a tax return is because he did receive a penalty notice for many hundreds of pounds several months after it was issued.

He decides that he needs help from a professional with his UK taxes and so engages a suitably qualified adviser based in the UK.

However, arranging for the relevant agent authorisation to be in place is proving to be a challenge, if not impossible! The online

authorisation is just not an option, due to the deadline of inputting the authentication code, which only leaves the option of submitting a paper 64-8 form in the post. This latter option:

- may never happen as there is a very high chance that the form will never reach HMRC in the post; and
- even if it is delivered it may take many months to reach HMRC.

His adviser in the UK can, though, still file self-assessment tax returns for him via his own tax return software without a 64-8 form, thereby stopping further late filing penalties from arising.

Fortunately for Peter, a colleague was returning to the UK for a business trip and so was able to take the form with him and post it in the UK. This meant that his adviser in the UK was then able to liaise with HMRC and successfully appeal against the late filing penalties that Peter had incurred, on the grounds that Peter had not received the notice to file a tax return.

If Peter's colleague had not been returning to the UK, Peter would have had little choice but to send off the 64-8 by courier. However, there is still no guarantee HMRC will receive the 64-8, even by courier.

The above example shows how difficult it can be arranging for agent authorisation to be put in place for individuals living overseas. It does not help either that 64-8 forms can often go missing within HMRC and clients can suddenly disappear from an agent's list of online self-assessment clients! It is understood that HMRC are looking into this area to try to improve the situation.

The Government Gateway allows individuals to use the UK government's online services. The individual therefore needs to set up a Government Gateway account, whereby specific services can be activated, such as access to the person's self-assessment account.

A digital handshake for authorising an adviser to act for an individual in respect of CGT on UK property, involves the individual setting up a CGT on UK property account via his or her Government Gateway User ID and passing on the account number to the adviser once this has been done. The adviser can then start the authorisation process via his or her agent services account, sending the individual a link

generated by HMRC in an email, which the individual needs to click on within a certain amount of time to complete the authorisation process. Issues can, however, arise for a non-resident in setting up this capital gains account (see **7.6.9**).

4.11.2 Personal tax accounts and Government Gateway account

Personal tax accounts enable individuals to access their tax accounts in real time and to perform several functions.

Personal tax accounts show various tax and National Insurance details, including a person's:

- self-assessment situation;
- National Insurance record, and whether there are any gaps in this – particularly useful for non-residents who are looking to protect their UK state pension and potentially need to make voluntary contributions while overseas (see **8.5**);
- PAYE details, including PAYE codes in place – useful for non-residents who have been assigned overseas by their UK employer and so are still on a UK payroll and under PAYE;
- benefits such as tax credits and child benefits; and
- state pension forecast.

At the time of writing, HMRC state that the following services can be performed via a person's personal tax account:

- check an individual's tax estimate and tax code;
- fill in, send and view a personal tax return, although non-residents, at the time of writing, are unable to do this as the Residence, remittance basis etc. supplementary pages, which they need to complete and file, are not available via HMRC's website;
- claim a tax refund;
- check income from employment for the previous five years;
- check how much income tax has been paid in the last five years;
- check and manage tax credits;

- check state pension;
- track tax forms that have been submitted online;
- check or update the marriage allowance;
- tell HMRC about a change of address;
- check or update benefits the individual gets from work (e.g. company car details and medical insurance) though again this may not be relevant for non-residents who are not taxed in the UK on their earnings and benefits and who have not been performing any work in the UK; and
- check National Insurance number and Unique Taxpayer Reference (UTR) number.

HMRC state that more services will be added in the future.

Agents do not (at the time of writing) have access to clients' personal tax accounts. although they do now have access to a client's income record with HMRC via their agent services account. Even though a 64-8 may be in place for the agent to act on the client's behalf, further client authorisation via the digital handshake (see **4.11.1**) is still required before access to the income record is given. Once authorisation has been given, an agent will be able to access the following details:

- PAYE information for the current tax year plus the four previous years;
- employment records, including time in employment, a client's PAYE reference and the pay and tax details for each of his or her employments;
- student loan repayments, if any, collected through payroll;
- latest tax code for the current tax year, including all allowances and deductions;
- taxable benefits provided by an employer, such as company car and medical insurance and whether these are forecast (P11D not received yet) or actual (P11D received);
- state and private pension information; and
- details of any underpaid tax and other debts, such as tax credits or Class 2 NICs collected through the individual's tax code.

A personal tax account can be set up at <https://tinyurl.com/yb8y7afj> and can be created via a Government Gateway User ID. Non-residents often have issues setting up a Government Gateway User ID, because they do not have a UK address and, if they are not British citizens and have never lived in the UK, they will also not have a NINO or British passport.

For the above reasons, an individual leaving the UK should – before leaving the UK – set up a Government Gateway User ID, and also authorise with HMRC any tax adviser or accountant the individual wishes to use while living overseas.

For those individuals:

- who have been living overseas for some time, maybe for many years, or who have never lived in the UK; and
- who need to declare income or a capital gain,

it can be a challenge (under HMRC's current system) to authorise an agent to act on their behalf with HMRC and to set up a Government Gateway account. This – together with any authentication/activation codes sent in the post, and subject to HMRC deadlines – means it is just not feasible for many expats to use HMRC's online services.

One glimmer of hope is that HMRC do now provide an alternative way for an individual to prove his or her identity via an identity checking app – the GOV.UK ID Check app – see:

- <https://tinyurl.com/4883ay3b> for iPhones; or
- <https://tinyurl.com/bdpman2p> for Android phones.

The individual can then use the selfie camera to confirm a match with either his or her driving licence or ePassport.

If the individual is unable to create an account, the only alternative is to ring HMRC, but at times this can be frustrating, especially if left hanging on the phone for a long time (as was the case during the Covid-19 pandemic) and if the person is located overseas.

This is particularly important if an individual has sold land or property in the UK and is required to report this to HMRC within 60 days of completion (see **7.6.9**). Part of the process of reporting this disposal is, again, for the individual to have set up a Government Gateway User ID if this has not been done already. This could be

problematical if the individual does not realise this until he or she has completed on the sale and is trying to report the disposal – there is a real danger of missing the deadline to file and pay any tax due.

Previously in this situation, HMRC sent paper capital gains returns in the post, which for some expats in developing nations almost certainly arrived (if at all) after the 60-day filing deadline. It is now possible, however, to access this paper return from HMRC's website via <https://tinyurl.com/yc8bjf7k>. However, there is still the issue of sending back the completed return to HMRC. It is advisable for all expats overseas (even those located in countries with good postal systems) to send the return to HMRC by courier rather than by post, to minimise the risk of missing the filing and payment deadline.

An individual's personal tax account can be accessed either via HMRC's website or via their app (see <https://tinyurl.com/47ks33bz>). With the latter, an individual's NIC and state pension situation is not shown and marriage allowance tasks are also not included.

For the future, the UK government plans to start rolling out its *GOV.UK One Login* programme during the latter part of 2023. This will enable an individual to log in just once to have access to all government online services and to prove his or her identity.

Guidance: <https://tinyurl.com/ybmyhbq7> (link to HMRC's website re agent authorisation); <https://tinyurl.com/2hs6x84k> (HMRC online guidance on personal tax accounts); <https://tinyurl.com/47ks33bz> (download the HMRC app); <https://tinyurl.com/accessIRV> (get access to the income record viewer for agents)