HMRC - CH201550 - General: Comp1 - Temporary Authorisation Of Tax Adviser During A Compliance Check

Introduction

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This guidance advises you about the form Comp1 - temporary authorisation form. The Comp1 was introduced on 2 July 2012 and enables customers to temporarily appoint a tax adviser to deal with their tax affairs in relation to a compliance check.

Background

Before we can deal directly with a tax adviser, for example an accountant or agent, a valid and specific authorisation needs to be in place. This allows compliance officers to deal with the adviser in respect of the taxes covered by the authorisation.

Customers can currently authorise an adviser (either via HMRC Online Services or form 64-8, or for CITEX a letter of authority for the agent to act) to deal with HMRC for their day-to-day matters, see CH201500.

If we already hold a formal agent authorisation and it covers all matters that are being checked, then this will cover the compliance check and no further authorisation will be needed. But, if an existing authorisation doesn’t cover all the matters we are checking, then further authorisation will be needed.

In response to feedback from staff and tax advisers, the Comp1 was developed so that customers can temporarily appoint a tax adviser to act for them during a compliance check. The Comp1 allows the customer to appoint an adviser to deal with all aspects of that compliance check.

When the Temporary Authorisation form Comp1 can be used

The Comp1 relates only to the appointment of an adviser to deal with a compliance check. It does not authorise us to deal with that adviser for anything outside that check. Form Comp1 does not replace or amend any existing authorisation made using form 64-8 or the online authorisation facility, or in CITEX cases a letter giving authority for the agent to act.

The temporary authorisation can be used to:

extend an existing authorisation, for example where there is an adviser acting for one tax under a form 64-8, and the customer wants that adviser to act for more taxes just for the purpose of the compliance check

appoint an adviser to deal solely with the compliance check where there is no existing adviser authorisation

appoint a ‘specialist’ tax adviser, for example in Specialist Investigation cases, just to deal with a compliance check. In such cases this will allow the existing adviser to continue to act for the customer in their day to day tax matters.

If, during the compliance check, the customer wants to cancel the temporary authorisation that they have made on a Comp1, they can do so verbally. Where possible the caseworker should also obtain written confirmation, although this is not essential.

If, during the compliance check, the customer wishes to change the temporary authorisation they have made on a Comp1, they will need to submit a new Comp1.

Guidance and access to form and advice on usage for customers

The new Comp1 form is available on the Tax agents and advisers pages (HMRC Website). Staff can also print a blank copy of form Comp1 from SEES Forms and Letters.

Customers should discuss with their adviser whether the form is appropriate to use. For further information see Tax adviser authorisation for compliance checks (HMRC Website).

The form Comp1 cannot be submitted online or electronically by email. It must be downloaded and completed before being printed, signed and sent to us as a paper copy.

Extending the compliance check

The temporary authorisation includes provision for extending the compliance check and will automatically cover any additional taxes/duties and periods if we extend the original scope of the check, for example, by extending it to cover earlier or later years or other taxes. The Comp1 contains information in the notes for the customer and advises that they will need to let us know, in writing, if they do not want the temporary authorisation extending if we extend our check.

The authorisation given on the form Comp1 will end when the compliance check has ended, although it will cover any appeal that is made after the check has ended, as long as the appeal relates to decision notices or assessments that relate to the compliance check.

Action on receipt of form Comp1

Unlike the form 64-8, a record of the Comp1 will not be held on any ‘main’ HMRC computer system, such as SA, COTAX, VAT Mainframe. Therefore, caseworkers must not send the Comp1 form to the Central Agent Authorisation Team (CAAT). This is to ensure that there is no confusion between permanent advisers (appointed using form 64-8) and temporary advisers (appointed using form Comp1).

Customer who signed the Comp1 or 64-8 is unable to deal with their tax affairs

In cases where a customer has a disability, HMRC must make reasonable adjustment so that the customer will be able to manage their tax affairs. In rare cases a third party may explain that, even if reasonable adjustments are made, the customer would still be unable to deal with their tax affairs.

If HMRC becomes aware that the customer who signed the 64-8 or Comp1 has become mentally incapacitated and unable to deal with their tax affairs, we can no longer deal with the appointed agent or disclose information on behalf of that customer. In such circumstances we can only deal with

a person who has an Enduring or Lasting Power of Attorney which authorises them to deal with the customer’s property or financial affairs, or

a deputy appointed by the court of protection to do similar (see IDG30432), or

the equivalent in Scotland and Northern Ireland.

It will then be for the attorney or deputy to decide whether to appoint an agent to act on their behalf with HMRC.

Caseflow Scanning cases

Caseworkers do not need to see or retain the paper copy of Comp1 in cases where it has been scanned into Caseflow by the HMRC scanning centre.

If the caseworker has received a paper copy of the form and it has not been scanned, it should be retained with the compliance check papers.

Caseworkers must record receipt of the Comp1 on Caseflow by selecting the ‘Add Case Notes’ from the Take Action dropdown and enter the following details:

Comp1

Date appointed (dd/mm/yy)

Name of adviser

If the Comp1 is held in the case document store.

See Appendix A (Word 154KB) for instructions on how to enter details in Caseflow.

Non Caseflow Scanning cases

Only paper copies of the form should be accepted. Caseworkers must not accept copies that have been submitted electronically, for example, by email. Paper copies of the form should be retained with the compliance check papers.

In EF cases, Comp1 should be scanned to EF as document type MEMO and description Comp1.

Cross Tax Cases

If a temporary adviser is appointed during a cross tax compliance check, the lead caseworker must inform the other caseworkers involved in the check that there is a temporary adviser and the extent of their involvement with the compliance check.

Data Security

Caseworkers must be vigilant in ensuring that data security guidance is adhered to. This is especially important where there is the possibility of more than one adviser acting on behalf of the customer, for example, a permanent form 64-8 is already in place and a temporary authorisation Comp1 is received for a different adviser to deal with the compliance check.

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