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Technical report

Understanding tax administration for businesses

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This report provides the technical and methodological details for research commissioned by HMRC to understand and measure the annual ongoing costs to businesses of meeting their tax obligations. The report covers the design of the qualitative and quantitative research, including sample design, questionnaire development, fieldwork materials, response rates, editing and data validation and weighting.

1 Qualitative Research

Qualitative research with agents and businesses was conducted to inform the survey research design by providing insight into how businesses comply with HMRC tax obligations and their use of digital technology in this process. Specifically, it explored:

- Views on the administrative burden experienced by business in dealing with HMRC obligations.
- The main SCM assumptions – considering the internal and external processes associated with compliance including agents' fees.
- The impact of internal and external changes on business' processes of tax compliance (i.e. growth of businesses, external changes in the economy).
- General views about the use of agents by businesses.
- How far systems for dealing with tax affairs had changed, including use of computerised systems.
- Issues for consideration in designing the agent and business surveys.

1.1 Research design

A total of 59 interviews, lasting on average 45 minutes, were undertaken with business and agents: 41 interviews with business and 18 with agents. Eight interviews were undertaken face-to-face and 51 by telephone¹. Six of the final interviews with businesses were also used to cognitively test some of the survey questions.

The qualitative research focused on seven obligations², as shown in Table A1.

¹ Respondents were given the choice of face to face or telephone.

² This is the information businesses are required to submit to HMRC or keep on record.

Table A1: Obligations included in the qualitative research

Policy area	Obligation name
Corporation Tax	Make a self-Assessment of profits attributable to Schedule DI (Trading income)
Corporation Tax	Deliver a correct and complete company tax return, including a self-assessment of the amount of tax payable for the period
VAT	Submission of a VAT return
Income Tax for Businesses	Self-employment/Trade supplementary pages
Income Tax for Businesses	Obligation to make payments on account of income tax and Class 4 National Insurance contributions
Income Tax for Businesses	Partnership Tax Return (SA800)
Income Tax for Businesses	Partnership pages to the individual (SA104)

1.1.1 Sample design and source

The sample design for the qualitative research with businesses and agents took into consideration the following factors; these were chosen because they affect businesses' experience of complying with the tax obligations.

Business interviews³:

- **Size of the business:** nano, micro, small, medium and large sized business (see Table A2 for a definition of the different size categories).
- **Type of tax return:** a mix of those who filed a Self-Assessment return and those who filed Corporation Tax within each size category.
- **Use of an agent:** a mix of those who use and do not use an agent including those who use an agent for a large proportion of their obligation activity and those who use an agent with a light touch.
- **Industry sector:** businesses operating in a range of industry sectors.
- **Number of years trading:** a mix of new and established companies.

Agent interviews:

- **Size and type of clients:** include agents managing a range of different sized business across industry sector and those filing Self-Assessment returns and Corporation Tax.
- **Size of agent:** sole trader, companies and larger companies, including at least one interview from the top four practices.

³ Agents businesses were excluded from the sample.

- **Area of specialism:** include agents with a range of specialisms, for example, Corporation Tax, Self-Assessment, VAT and PAYE.
- **Use of digital platforms:** include some agents who are familiar with these processes.

Table A2 shows the final achieved profile for both businesses and agents.

The business and agent samples were provided by HMRC and comprised:

- A sample ratio of 20:1 for small and medium sized businesses (SMEs, defined as having between zero to 249 employees) and 10:1 for large sized businesses (250+ employees), giving a total of 810 leads for businesses.
- A total sample of 300 leads for agents.

Table A2: Achieved sample profile for businesses and agents

Size of business	Businesses	Agents
Nano (0 employee)	11	8
Micro (1-9 employees)	2	6
Small (10-49 employees)	11	1
Medium (50-249 employees)	7	2
Large (250+ employees)	10	1
Legal status		
Self-employed (dealing with Self-Assessments)	13	13
Partnership	10	10
Company (dealing with Corporation Tax)	18	19
Size of main clients' business		
Nano (0 employee)		6
Micro (1-9 employees)		7
Small (10-49 employees)		2
Medium (50-249 employees)		2
Large (250+ employees)		1
Total	41	18

1.2 Conducting the research

The interviews were conducted during August and September 2014.

An advance letter was sent to all sampled businesses and agents. The letter explained the purpose of the research and offered respondents the opportunity to opt-out.

Recruitment for the qualitative research was conducted in-house by telephone. Recruiters used a screening questionnaire to ensure those recruited met the criteria in section 1.2.2.

Each recruited respondent was given an appointment time for the interview and a confirmation letter was also sent. Respondents were offered a £50 charitable donation on behalf of Ipsos MORI as an incentive to take part.

Two discussion guides (one for businesses and one for agents) were used for the interviews. The discussion guides explored the processes experienced by businesses when complying with HMRC tax obligations, including the impact of digital technology. General views were sought first prior to discussions about specific obligations. The following areas were covered:

- Contextual information regarding the business/agent including finance and administration practices.
- Internal processes associated with compliance, considering activities undertaken and the time and associated costs aligned to this.
- External processes associated with compliance considering use of agents and their fees (and whether these have changed), use of software/data storage and costs attached, and other administrative expenses.
- Awareness, experiences and use of digital technology including an understanding of the use of XBRL and how digital technology has impacted on the processes that businesses undertake – i.e. whether this has helped to lessen burdens or increase them, and whether it has resulted in an increase or decrease in the use of agents.
- Overall perceptions and views of complying with HMRC obligations including a consideration of what is most burdensome and the factors that would help to improve this process.

1.3 Analysis

The information gathered in the in-depth interviews were analysed thoroughly using an inductive approach which means that analysis began with a consideration of the views of respondents and developed upwards from this. The raw data was synthesised into a template (designed to reflect the key themes of the research) and then interrogated for themes and patterns. This process was supported by internal analysis meetings where key themes and examples were discussed in depth. This process was also used to identify interviews that provided rich illustrations of the points being raised by the different groups of participants. Half of the interviews were transcribed.

1.4 Implications for the quantitative survey

The qualitative study highlighted the diversity of businesses that the quantitative survey needed to accommodate in terms of: the scale of the operation; how tax affairs are managed (use of an agent and internal business structures and responsibilities for tax); and level of awareness and knowledge regarding tax affairs.

It also highlighted the difficulty in collecting time and cost information from businesses at the detailed level required. This is because many businesses in the qualitative research struggled to separate activities related to tax compliance from those that they needed to do for the efficient running of their business (e.g. general accounts management). They also found it difficult to apportion the costs paid to

agents by obligation. This was generally due to a lack of knowledge and involvement in the tax process because they outsource the work to an agent, but also because businesses did not keep tab on time spent and costs incurred. Some businesses - larger businesses especially – tended to have a broader relationship with their agent that went beyond completion of the tax return and these businesses found it difficult to break down what they use the agent for.

Based on the feedback, an information sheet was designed and sent to businesses in advance of the survey interview. Care was also taken to ensure use of clear and simple instructions throughout the survey interview to ensure accuracy in the data collected.

2 Business survey

The purpose of the surveys with businesses and agents were to explore and collect:

- Views on the administrative burden experienced by business in dealing with HMRC obligations.
- Quantifiable data on time and costs involved in complying with 10 obligations for different types of businesses.
- Standardised administrative cost data for internal and external processes for different categories of businesses including agents' fees.
- The role of digital technology in the way that businesses and agents comply with HMRC obligations.

The following sections discuss the surveys in turn, starting with the Business Survey.

2.1 Scope of business survey

The sample of businesses covered the whole of the UK and included all industry sectors in the private sector and charities.

The survey was undertaken at the 'enterprise' (i.e. head office) level where the person best able to speak on behalf of the whole business would be most likely based. For businesses with more than one site, firmographic data was collected for all sites (e.g. number of employees).

In all instances just one person was interviewed per business and this tended to be the head of tax or the finance director where there was one, and the manager or business owner otherwise.

2.2 Sample design

Target number by business size

The business sample was designed to provide separate estimates for each of the following size bands: nano (0 employee); micro (1-9 employees); small (10-49); medium (50-249); and large (250+ employees). The aim was to achieve approximately 200 interviews in each size band.

Table A3 shows the target number of interviews, the sample source for each group and population estimates. The target number of interviews for micro sized businesses was set at 185 on the expectation that around 15 businesses from the self-assessment sample would also fall into this group.

Table A3: Target sample by size band

Size and turnover (£)	Approx. population number	Sample source	Target sample size
Under <£81k	2,739,985	HMRC	160
Nano (over £81k and on IDBR)	944,755	IDBR	55
Micro (over £81k)	986,890	IDBR	185
Small	186,745	IDBR	200
Medium (turnover <£30m)	30,684	IDBR	200
Large	6,595	HMRC	200

The majority of the sample for **micro, small and medium sized businesses** was drawn from the Interdepartmental Business Register (IDBR), administered by the Office for National Statistics (ONS). The IDBR covers all businesses registered for VAT, on PAYE, and all incorporated businesses registered at Companies House. The ONS was asked to exclude:

- Businesses with 250+ employees or that had a turnover of >£30m.
- Businesses with a turnover of less than £81k (i.e. those below the VAT threshold) even if they had employees.

The ONS also selected from the IDBR a sample of **nano sized businesses** with a turnover >£81k.

The sample of **businesses with 250+ employees or >£30m turnover** were selected by HMRC from their internal data sources. These businesses are divided into three customer groups based on HMRC's management of their tax affairs:

- Large Business Service (LBS) which includes the UK's largest businesses all have a Customer Relationship Manager (around 800 businesses);
- Local Compliance Large and Complex that have a Customer Relationship Manager (LC CRM) (around 1,300 businesses); and
- Local Compliance but have a Customer Coordinator (LC CC) (which are the remaining around 8,000 large businesses).

A sample of businesses with a **turnover of <£81k** was selected from the HMRC Self-Assessment Database. The sample did not contain information on the number of employees; this was established during the interview. The expectation at the sampling stage was that most (90%) of the businesses selected would be nano sized.

Businesses that comply with customs obligations

HMRC estimated that around 134,000 businesses on the IDBR comply with customs obligations. However, data on the size of these businesses was not available to inform the sample design. ONS data on size breakdown for exporters⁴ was used as a proxy instead (Table A4).

Table A4: Proxy size distribution for businesses complying with customs obligations

Size	%
Nano (0 employee)	8
Micro: 1-9 employees	57
Small: 10-49 employees	24
Medium: 50-249 employees	8
Large: 250+ employees	3

Based on the profile in Table A4, it was estimated that a simple random sample of 200 businesses per size-band would deliver a total of 219 interviews with businesses that comply with customs obligations (see final column of Table A5). Half of the 219 interviews would be with large sized businesses.

Table A5: Anticipated number of businesses that comply with customs obligations

Size	Approx. Population number	Of which comply with customs obligations	Target sample size	Of which comply with customs obligations
Under <£81k	2,739,985	Unknown	160	Unknown
Nano (over £81k and on IDBR)	944,755	10,763	55	1
Micro (over £81k)	986,890	76,960	185	14
Small	186,745	32,762	200	35
Medium (turnover <£30m)	30,684	10,125	200	66
Large	6,595	3,390	200	103
Total	4,895,654	134,000	1,000	219

⁴ <http://www.ons.gov.uk/ons/rel/abs/annual-business-survey/characteristics-of-exporters-and-importers--gb--2012/abs-data-by-export-and-import-status--2012.xls>

Table A6 provides more detailed breakdown between businesses that comply with customs obligations and those that do not, for each size band (the IDBR is able to identify businesses that comply with customs obligations).

Table A6: Target sample sizes by whether comply with customs obligations

Group	Size	Approx. Population number	Target sample size
1	Under £81k	2,739,985	160
2	Nano (over £81k and on IDBR)	944,755	55
3	Micro (over £81k and do not comply with customs obligations)	909,930	135
4	Micro (over £81k and comply with customs obligations)	76,960	50
5	Small (do not comply with customs obligations)	153,983	150
6	Small (comply with customs obligations)	32,762	50
7	Medium (do not comply with customs obligations)	20,559	134
8	Medium (comply with customs obligations)	10,125	66
9	Large (do not comply with customs obligations)	3,205	97
10	Large (comply with customs obligations)	3,390	103
	Total	4,895,654	1,000

Sample numbers to ensure target numbers were met

Table A7 sets out the assumptions used to estimate the number of sample lead required in each of the target subgroup to achieve 1,000 business interviews overall. As can be seen, the calculations took into account the telephone number match rate (not all of the sample leads provided included a telephone number), the opt-out rate in response to the advance letters, incidence of bad telephone numbers and response rate assumptions.

Overall it was estimated that a starting sample of 8,649 businesses would be required, split between a main sample of 6,178 and a reserve sample of 2,471.

Table A7: Number of businesses selected

Size / turnover (£)	Target achieved sample size	Successfully matched numbers rate	Opt-out rate	Ineligible rate (bad numbers)	Response rate amongst those with eligible numbers	Number of leads (main sample)	Reserve sample	Total sample selected
< £81k	160	60%	7%	25%	40%	956	382	1,338
Nano (>£81k and on IDBR)	55	30%	7%	25%	40%	657	263	920
Micro (>£81k and do not comply with customs obligation)	135	30%	7%	20%	45%	1344	538	1,882
Micro (>£81k and comply with customs obligation)	50	30%	7%	20%	45%	498	199	697
Small (do not comply with customs obligation)	150	60%	7%	20%	45%	747	299	1,045
Small (comply with customs obligation)	50	60%	7%	20%	45%	249	100	348
Medium (do not comply with customs obligation)	134	60%	7%	15%	45%	628	251	879
Medium (comply with customs obligation)	66	60%	7%	15%	45%	309	124	433
Large (do not comply with customs obligation)	97	80%	7%	15%	40%	383	153	537
Large (comply with customs obligation)	103	80%	7%	15%	40%	407	163	570
Total						6,178	2471	8,649

Table A8 shows the variables included in the samples⁵. Data on the tax obligations that applied to each business was not available on the sample; this had to be established as part of the survey interview with implications for sample management (see section 1.4.5).

Table A8: Variables included in the sample

Fields	IDBR	HMRC self-assessment database	HMRC Large Business data Large Business Database
Company name	x	x	x (including name of finance director/head of tax)
Company address inc. postcodes	x	x	x
Phone number if available	x	X (including flag for agent number)	x
Email if available	x		x
Birth date of the business	x		
Standard Industry Classification (SIC)	x	x	x
Employment and employees	x		
Turnover	x		
Legal status	x		
Country of ownership	x		
Sole trader/partnership status		x	
Whether an agent is present		x	
Which large business population the business is in			x
Whether the business is involved in exporting	x		x

HMRC provided a total of 7,929 business leads. Telephone tracing (against both business and residential listings) was undertaken for leads without a telephone number and those with an agent's telephone number only. In total, 1,866 records were telephone matched (a match rate of 37%). The sample was checked for duplicate leads to take account of the multiple sample sources and duplicates were removed as necessary. Following this stage, the total number of unique business leads available for fieldwork was 5,203 (Table A9).

⁵ The IDBR and HMRC self-assessment variables were in both the business and agents' samples.

Table A9: Profile of business sample leads

Source	Size category	Number in sample	... with telephone number	... after telephone matching
HMRC	Self-assessment	1,448	1,242	1,325
IDBR	Zero employees on IDBR	726	33	355
	1-9 employees: do not comply with customs obligations)	2,122	128	665
	1-9 employees: comply with customs obligations	236	22	95
	10-49 employees :do not comply with customs obligations	907	392	598
	10-49 employees: comply with customs obligations	301	164	236
	50-249 employees: do not comply with customs obligations	763	669	689
	50-249 employees: comply with customs obligations	376	349	353
HMRC	Large	1,046	821	887
	Large LC CC	794	594	655
	Large LC CRM	155	141	142
	Large LBS	97	86	90
Total		7,929	3,820	5,203

2.3 Questionnaire design

The questionnaire was developed by Ipsos MORI with guidance from UHY Hacker Young and HMRC.

The starting point for questionnaire development for the business survey was the interview guide used in the PWC 2006 study⁶ which focused on what businesses actively had to do (in terms of the type and amount of resource spent) in completing a specific obligation. This included collecting data on internal costs for seven administrative activities related to the obligation, external costs (such as fee levels paid to external advisors, postage costs, data storage), as well as acquisition costs associated with dealing with the obligation (e.g. purchasing software such as an additional module in an accounting package).

In addition, the business questionnaire took into consideration the following requirements:

- The survey had to make clear to businesses that only administrative costs incurred by businesses as part of complying with the obligation were in-scope (i.e. one-off costs such as familiarisation with a

⁶ *Administrative Burdens Measurement Exercise Technical Summary* (PricewaterhouseCoopers LLP, 2006).

policy change or costs incurred from customer error, or 'business as usual' activities were out-of-scope).

- For staff costs, information had to be collected in a way that could be linked to the Annual Survey of Hours and Earnings (ASHE), so that wage rates could be uplifted in future years.
- The use of an information sheet, sent to businesses in advance of the interview, to improve data accuracy.

2.4 Cognitive testing

The draft questionnaire was cognitively tested with six businesses in mid-August 2014. The interviews were designed to specifically test:

- How many obligations respondents could feasibly respond to in a 20 minute survey (the cognitive interviews lasted between 45 minutes and one hour). The initial aim had been to ask about five obligations per interview.
- Whether or not respondents could break down time and cost details at the level of data requirements⁷ or tax obligations.
- Whether or not they could provide time and cost details by the 16 activity categories used in the SCM (either at the level of data requirements or obligations).
- If respondents could provide agents fees at the level of tax obligations.
- If respondents could provide cost details for computer systems and other miscellaneous costs such as printing and postage.
- Respondents' views of the information sheet. Two versions were produced: a two-page version with detail questions, and a one-page version with a broader description of the main aims of the survey and the core questions.

The testing showed that respondents:

- Found it difficult to provide details for more than two obligations in 20 minutes. Therefore, it was decided to ask a maximum of two obligations in the pilot.
- Could not provide details at the level of data requirements, or by the 16 activity categories. As a result the 16 activity categories were reduced to seven⁸ for the pilot, and the survey focussed on obligations (as opposed to the data requirements that made up the obligations).
- Some respondents could provide agents fees at the obligation level, whilst others could only do this at the broad policy level (e.g. Corporation Tax overall). The survey recorded this information at the obligation level, but included an option for respondents to say "Don't know".

⁷ Each obligation in the SCM is further divided into 'data requirement' sub-components. For example, a single obligation could consist of 30+ data requirements.

⁸ As per the 2006 PWC study.

- Respondents could answer broad questions about the use of computer software and the associated costs, but could not provide costs associated with printing and postage.
- Respondents favoured the shorter one-page version of the information sheet.

2.5 Pilot survey

The questionnaire was revised following the cognitive testing and a pilot was undertaken to test the questionnaire length, respondents' understanding of the questions and the effectiveness of the screener questions in identifying the right individual to interview. Thirteen obligations were included in the pilot survey as shown in Table A10.

Table A10: Obligations included in the pilot survey

Policy area	Obligation
Corporation Tax	Produce the Corporation Tax Computation for the Company Tax Return (Form CT600)
	File the Company Tax Return the CT600 return
VAT	Issue VAT invoices (full or simplified) (this should be asked on a per invoice basis)
	Keep and maintain a VAT Account
	Submit a VAT return
Income Tax for Businesses	Complete a Self-assessment return related to self-employment (Trade pages).
	Complete a Partnership Tax Return (SA800)
	Complete a Self-assessment return related to an individual partner (Partnership pages) (Form is SA104)
Customs	Submit a customs declaration (form C88 also known as Single administrative document (SAD))
	Complete the Registration process Economic Operator Registration and Identification (EORI) Scheme
PAYE	Complete RTI - Full Payment Submissions – payment to existing staff
	Complete Full Payment Submissions – additional information for new starter
	Provide information to employees about payments and tax deducted during the tax year (Form P60)

A total of 45 pilot interviews were conducted between 29 September and 14 October 2014. Businesses in the pilot sample were sent **an advance letter** which included details of the survey and gave them the chance to opt-out. A total of 47 businesses opted out which was higher than anticipated (12% vs 7%).

Two of the businesses contacted for the pilot were not eligible for interview because they claimed not to undertake any of the in-scope obligations.

The proportion of bad numbers was 12% (41 leads out 353). There were 33 refusals (nine per cent) and six respondents abandoned the interviews (13%).

Table A10 provides a breakdown of the pilot sample and interviews, and Table A11 gives a breakdown of the interviews by obligation.

Table A11: Pilot completes by organisation size

Sub-group	Number of business leads	Number of business leads after opt-out	Achieved interviews
Self-assessment	60	50	7
Large (all groups)	51	49	5
IDBR Sole traders	39	36	4
IDBR 1-9 employees	125	109	11
IDBR 10-49 employees	64	56	9
IDBR 50-249 employees	61	53	9
Total	400	353	45

Table A12: Pilot completes by obligation

Policy area	Obligation	Completed
Corporation Tax	Produce the Corporation Tax Computation for the Company Tax Return (Form CT600)	19
	File the Company Tax Return the CT600 return	19
VAT	Issue VAT invoices (full or simplified) (this should be asked on a per invoice basis)	8
	Keep and maintain a VAT Account	9
	Submit a VAT return	5
Income Tax for Businesses	Complete a Self-assessment return related to self-employment (Trade pages).	5
	Complete a Partnership Tax Return (SA800)	3
	Complete a Self-assessment return related to an individual partner (Partnership pages) (Form is SA104)	2
Customs	Submit a customs declaration (form C88 also known as Single administrative document (SAD))	1
	Complete the Registration process Economic Operator Registration and Identification (EORI) Scheme	1
PAYE	Complete RTI - Full Payment Submissions – payment to existing staff	4
	Complete Full Payment Submissions – additional information for new starter	3
	Provide information to employees about payments and tax deducted during the tax year (Form P60)	5
Total		84

The pilot highlighted a range of issues; the two main difficulties for businesses were:

1. Respondents found it difficult to differentiate between the two Corporation Tax obligations and two of the VAT obligations. Therefore, these were merged as follows:
 - ‘Produce the Corporation Tax Computation for the Company Tax Return (Form CT600)’ and ‘File the Company Tax Return the CT600 return’ were merged to become ‘*Prepare and file the Corporation Tax return (CT600 return)*’
 - ‘Keep and maintain a VAT Account’ and ‘Submit a VAT return’ were merged to become ‘*Keep and maintain a VAT account and submit a VAT return*’.
2. Respondents found it difficult to breakdown time spent on the obligations by the seven activity categories. The activities were simplified for the main stage, by reducing the number from seven to five (Table A13) and only asking respondents about the time taken on the ‘longest’ activity.

Table A13: Activities included in the business survey (pilot and mainstage)

Activities 1-7 (pilot)	Activities 1-5 (mainstage)
. . . familiarising yourselves with the rules of this obligation?	
. . . gathering and assessing relevant figures/information for this obligation, including storing and retrieving the information?	. . . gathering, retrieving and assessing relevant figures/information?
. . . preparing figures needed for this obligation? This includes activities such as calculating, presenting figures in tables or charts, checking and correcting figures?	. . . preparing/calculating figures?
. . . undertaking reporting activities for this obligation? This includes preparing written descriptions of data, copying, filing, distributing or submitting information/reports?	. . . preparing written descriptions of data, copying, filing, distributing or submitting information/reports?
. . . making settlements or payments (eg. taxes or charges) in relation to this obligation?	. . . making settlements or payments (eg. taxes or charges)?
. . . holding meetings – internally or externally – about preparing and/or providing information?	. . . Are there any other activities you do that I have not mentioned? IF YES (SPECIFY)
. . . preparing and conducting inspection activities, if your business is subjected to possible inspections?	

2.6 Mainstage fieldwork and monitoring

All respondents were sent an advanced letter and given a two week opt-out period. In total, 400 businesses opted out, and 15 opted in.

Fieldwork took place during October and November 2014. A total of 1,061 businesses took part in the survey comprising 158 nano sized businesses; 235 micro; 238 small; 284 medium; and 146 large. The average interview length was 15 minutes.

During fieldwork, all respondents were asked to provide an email address so that they could be sent the information sheet.

Interviewers were re-briefed during fieldwork: once to ensure that respondents did not include themselves when providing employee numbers, and on another occasion to ensure that interviewers read out the additional descriptions included for each obligation.

During fieldwork completed interviews were monitored by size and obligation, and obligations were closed once the target number of interviews had been reached. In addition, one of the customs obligations "Complete the Registration process Economic Operator Registration and Identification (EORI) Scheme" was dropped due to the very low number of respondents stating that they completed it. The total number of completed interviews by obligations is shown in Table A14.

Table A14: Mainstage achieved interviews by size and obligation

Obligations	Nano	Micro	Small	Medium	Large	Grand Total
Prepare and file the Corporation Tax Return (CT600 return)		56	65	90	57	268
Issue VAT invoices (full or simplified)	23	53	69	34	20	199
Keep and maintain a VAT Account and submit a VAT return	60	102	61	83	33	339
Complete a Self-assessment return related to self-employment (Trade pages).	81	40				121
Complete a Partnership Tax Return (SA800)	46	23	4	5		78
Complete a Self-assessment return related to an individual partner (Partnership pages) (Form is SA104)	48	34	12	7		101
Submit a customs declaration (form C88 also known as Single administrative document (SAD))		1	40	66	44	151
Apply for an Economic Operator Registration and Identification (EORI)			5	16	10	31
Complete Real Time Information - Full Payment Submissions – payment to existing staff		64	75	100	65	304
Complete Real Time Information - Full Payment Submissions – additional information for new starter		27	61	73	28	189
Provide information to employees about payments and tax deducted during the tax year (Form P60)		42	70	69	29	210
Grand Total (NB: each respondent was asked up to two obligations)						1,991

2.7 Response rate

The adjusted response rate was 41%; this included 43 partial interviews which were excluded in the analysis. A breakdown of sample outcomes is shown in Table A15.

Table A15: Sample outcomes and response rate calculation

Key		Businesses
Total	Total number of leads in final sample	2,965
Completed / partial	Number of completed and partial interviews	1,103
Unknown / dead	Leads where eligibility is unknown	682
Refused	Refused to take part in the interview	568
Dead	Unusable / disconnected phone numbers	487
Ineligible	Ineligible leads	126
Eligibility %	Completed or Partial / (Completed or Partial + Ineligible)	90%
Refusal %	Refused / Total	19%
Total valid sample	Completed or Partial + (Refused * % eligible) + ((Unknown + Dead) * % eligible)	2,666
Unadjusted Response Rate	(Completed or Partial / Total) * 100	37%
Adjusted Response Rate	(Completed or Partial / Total valids) * 100	41%
Cooperation %	Completed or Quit / (Completed or Partial + (Refused * % Eligible))	68%

2.8 Data preparation

The following editing and data-validations were agreed with HMRC.

Treatment of zeroes

A number of businesses stated zero time spent despite interviewer request for them to re-consider. These were treated as respondents stating that it took less than a minute to carry out an obligation. Whilst this may have been valid for some processes, for the purpose of analysis the next lowest figure to these values was imputed.

A small number of businesses (49) gave banded responses; a number of these were in the top range (e.g. 10 or more hours; 5 days or more) meaning that it was not feasible to impute something that would improve on the current estimates. The numbers were also very small and therefore unlikely to make a difference to the data. For these reasons, banded responses were ignored in the analysis.

Trimming

The CATI script included range checks and overall amount checks for the times provided by businesses. Despite this, some businesses still gave extreme values. To address this, trimmed means were estimated by calculating the 5th and 95th percentile per distribution (within segment if the sample numbers were greater than 20) and trimming values above and below these thresholds to those

thresholds. The percentiles were calculated within SPSS. For distributions based on small sample sizes, where no sample members lay exactly at the 5th or 95th percentile, SPSS returned a weighted average of the values just below and above the percentiles. The implication is that high and low values were trimmed to this weighted value and not necessarily to an observed value.

Trimming of the minutes for issuing VAT invoices

The number of minutes reported for issuing VAT invoices looked implausibly large for many businesses and the assumption was that the question was often misunderstood. However the threshold between genuine responses and errors was not clear cut. The median number of minutes was however 15, so an upper limit of twice the median (30 minutes) was applied with all estimates above this being treated as an error. This reduced the sample size for the time estimates to 107 for this obligation, and gave an average time taken of nine minutes. A cut-off at 60 minutes would increase the sample size by 14, and would increase the average time taken from 9 minutes to 15 minutes.

Calculation of confidence intervals

Confidence intervals have been provided for time and fees estimates from the business survey. These have been calculated using the SPSS complex samples module and took account of the weights and the initial sample stratification. Nevertheless they are approximate only, because they do not take full account of the trimming of outliers in the estimate of sample variance.

2.9 Weighting

Business level weights

Although business size category was recorded on the sample file, not all respondents in the survey agreed with that size categorisation. Based on the responses given, all business respondents were assigned to an 'assumed size category' following a set of rules agreed with HMRC (i.e. no differences of greater than two size categories being allowed, and with businesses self-identifying as medium but recorded by HMRC as large, being assumed large). This left 12 of the 1,060 businesses in the survey with an 'invalid' size category. These 12 were excluded from size-specific estimates, but were included in 'all business' estimates. For grossing purposes, the 12 were assumed to be of the size category recorded on the sampling frame.

Businesses were further split in terms of whether they were above or below the VAT threshold and whether they complied with customs obligations, both pieces of information being derived from the sampling frame. In order to generate a sample that was broadly representative of all businesses, the population counts provided with the sample were assumed to be correct, and the respondents per assumed group were grossed to this population number. Table A16 below has the details.

Table A16: Business level weighting profile

Size/ turnover (£)	Final population number (A)	Responding sample (B)	Grossing weight (A/B)
Nano (<£81k)	3,247,871	74	43,890
Nano (>£81k)	98,210	87	1,129
Micro (do not comply with customs obligations)	1,032,852	199	5,190
Micro (comply with customs obligations)	159,000	33	4,818
Small (do not comply with customs obligations)	165,400	134	1234
Small (comply with customs obligations)	38,200	104	367
Medium (do not comply with customs obligations)	18,993	126	151
Medium (comply with customs obligations)	11,400	75	152
Large (do not comply with customs obligations)	6,870	32	215
Large (comply with customs obligations)	3,200	197	16
Total	4,781,996	1,061	

Obligation level weights

For each obligation, the businesses in the responding sample eligible for the obligation were identified and their population level size and customs profile estimated by applying the business level grossing weight. The subset of eligible businesses actually answering the survey questions about that obligation were grossed to the same profile. For example for Obligation 1 (prepare and file the corporation tax return) the estimated population is as shown in the first data column below, and the numbers responding shown in the second column. The grossing weight for the obligation is given in the third column.

The same approach has been used for all obligations, but where the sample numbers in the second column are very small (typically less than 10) categories have been combined.

Table A17: Obligation level weighting profile

Size	Estimated population number of eligible businesses for obligation 1 (A)	Responding sample for obligation 1 (B)	Grossing weight for obligation 1 (A/B)
Micro (do not comply with customs obligations)	534,592	41	13,039
Micro (comply with customs obligations)	159,000	13	12,231
Small (do not comply with customs obligations)	127,136	38	3,346
Small (comply with customs obligations)	36,731	26	1,413
Medium (do not comply with customs obligations)	15,375	47	327
Medium (comply with customs obligations)	10,944	17	644
Large (do not comply with customs obligations)	6,870	28	245
Large (comply with customs obligations)	3,168	57	56

3 Agents survey

The target population was tax and customs agents with business clients. In all instances one person was interviewed per organisation who was best able to speak about the different types of tax-related or customs services provided to businesses.

3.1 Sample design for agents

The agent sample was designed to provide separate estimates for tax and customs agents (and within the tax agent group sole traders, partnerships and companies). Table A18 shows the target number of interviews and population estimates.

Table A18: Target sample by size band

Type of agent	Type of organisation	Approx. population number	Sample source	Target sample size
Tax agent	Sole trader under £81k	23,000	HMRC SA data	70
	Sole trader over £81k	3,993	IDBR universe count	10
	Partnership under £81k	3,791	HMRC SA data	36
	Partnership over £81k	1,906	IDBR universe count	44
	Company over £81k	14,940	IDBR universe count	160
Customs agent		2,519	HMRC data	80

The sample of tax agents with a turnover of £81k or more (i.e. above the VAT threshold) was drawn from the IDBR. Those with a turnover of <£81k were selected from the HMRC Self Assessment Database. HMRC provided a separate sample of customs agents from its own databases.

HMRC provided 4,722 sample leads. Telephone matching was undertaken for 3,122 leads without a telephone number. In total, 1,266 records were successfully matched (a match rate of 41%), and after removing duplicates between the different sample sources a total of 2,866 agent leads remained as detailed in Table A19.

Table A19: Profile of agents leads

Row Labels	Number in original sample	Number with telephone number	Number after telephone matching
Customs large	13	5	9
Customs non-large	502	285	384
IDBR Company	2,386	254	978
IDBR Partnership	656	158	476
IDBR Sole trader	143	6	76
SA Partnership	345	264	291
SA sole trader	677	628	652
Grand Total	4,722	1,600	2,866

The sample was split into four batches – one for the pilot, two mainstage batches, and a reserve batch. The pilot and mainstage samples included all leads marked as ‘customs’ with a telephone number. All four batches were proportionately stratified by region for the Self Assessment and Customs leads, and by region and size for the IDBR leads.

3.2 Questionnaire design

As with the business survey, the agent questionnaire was developed by Ipsos MORI with guidance from UHY Hacker Young and HMRC. The questionnaire focussed on the following areas:

- Firmographics of agent and their clients.
- Services provided to business clients including:
 - Information on time and fees for specific obligations.
 - Information on fees for broad policy areas if data could not be provided at the obligation level.
- Use of computer technology by agents and their clients – including the types of computer software used, the processes it is used for, and the impact on the burden of complying with tax obligations.
- Agents’ perceptions of which obligations are the most burdensome for businesses.

3.3 Pilot survey

A total of 24 pilot interviews were undertaken to test the questionnaire length, agents’ understanding of the questions and the effectiveness of the screener questions in identifying the right individual to interview. The pilot fieldwork took place between 29 September and 7 October 2014.

An advance letter was sent to all agents selected for the pilot; 13 agents opted out which was in line with the sample assumptions for agents (six per cent).

Eligibility was lower than expected (71% vs 100%): five agents were screened out because they have no business clients, one agent did not deal with any of the in-scope obligations and two customs agents did not deal with UK customs duties.

Based on the leads called, the proportion of bad numbers was 15% (34 out of 225 leads), which was lower than the assumed figure of 25%. There were 11 refusals (five per cent).

A breakdown of the pilot sample and interviews is shown in Table A20. Further breakdown by obligation is shown in Table A21

Table A20: Pilot sample and interviews

Sub-group	Pilot sample	Pilot sample after opt-out	Completes
SA Sole trader	45	43	4
SA Partnership	30	27	3
IDBR Sole trader	10	10	1
IDBR Partnership	30	28	3
IDBR Company	84	82	9
Customs large/non-large	39	35	4
Total	238	225	24

Table A21: Pilot interviews by obligation

Policy area	Obligations	Interviews
Corporation Tax	Produce the Corporation Tax Computation for the Company Tax Return (Form CT600)	5
	File the Company Tax Return the CT600 return	5
VAT	Keep and maintain a VAT Account	5
	Submit a VAT return	5
Self-Assessment	Self-Assessment return related to self-employment (Trade pages)	2
	Self-Assessment return related to Class 4 NIC – calculation and payment	2
	Partnership Tax Return (SA800)	3
	Self-Assessment return related to an individual partner (Partnership pages; Form SA104)	3
Customs	Submit a customs declaration (Form C88 also known as Single administrative document (SAD))	4
	Apply to the Economic Operator Registration and Identification (EORI) Scheme	4
PAYE	Real Time Information - Full Payment Submissions	5
	Information to employees about payments and tax deducted during the tax year (Form P60)	5
Total number of obligations (NB: each respondent was asked about two obligations)		48

Overall the agent questionnaire worked well. Interviewers reported that this was because agents were familiar and comfortable with the subject matter.

In the pilot, agents with different sized business clients were asked to provide time and fees data for two different sized business clients. This was simplified in the mainstage survey so that agents were asked to provide time and fees data for their “average” client. For the mainstage the customs obligation ‘Apply to the Economic Operator Registration and Identification (EORI) Scheme’ was replaced with ‘Provide evidence to support a claim for a preferential rate – Form A’ as some agents reported that businesses dealt with the obligation directly.

3.4 Mainstage fieldwork and monitoring

Telephone interviews were conducted with 403 agents. Fieldwork took place during October and November 2014. The average interview length was 15 minutes.

Respondents were sent an advance letter prior to mainstage fieldwork explaining the purpose of the research and giving them the chance to opt-out of the survey. In total, 220 agents opted out and 5 agents opted in.

During fieldwork completed interviews were monitored by legal status of the organisation (e.g. sole trader, partnership), and the obligations were closed once the target numbers of interviews were met. Table A22 shows the final number of interviews by obligation.

Table A22: Number of achieved interviews by type of organisation

Type of agent	Type of organisation	Target	Completes
Tax agent	Sole trader under £81k	70	59
	Sole trader over £81k	10	14
	Partnership under £81k	36	32
	Partnership over £81k	44	51
	Company over £81k	160	167
Customs agent		80	81

Table A23: Number of achieved interviews by obligation

Obligation	Completed responses per obligation
File the Company Tax Return the CT600 return	80
Information to employees about payments and tax deducted during the tax year (Form P60)	80
Partnership Tax Return (SA800)	80
Prepare information for and submit a VAT return	89
Produce the Corporation Tax Computation for the Company Tax Return (Form CT600)	80
Provide evidence to support a claim for a preferential rate - Form A	81
Real Time Information - Full Payment Submissions	64
Self Assessment return related to an individual partner (Partnership pages; Form SA104)	76
Self-Assessment return related to self-employment (Trade pages)	80
Submit a customs declaration (Form C88 also known as Single administrative document (SAD))	81
Total number of obligations	791

3.5 Response rate

The adjusted response rate was 51%. A breakdown of the sample outcomes is shown in Table A24.

Table A24: Sample outcomes and response rate calculations

Key		Agents
Total	Total number of leads in final sample	1,120
Completed / partial (quit)	Number of completed and partial interviews	440
Unknown / dead	Leads where eligibility is unknown	324
Refused	Refused to take part in the interview	95
Dead	Unusable / disconnected phone numbers	127
Ineligible	Ineligible leads	134
Eligibility %	Completed or Partial / (Completed or Quit + Ineligible)	77%
Refusal %	Refused / Total	8%
Total valids	Completed or Partial + (Refused * % eligible) + ((Unknown + Dead) * % eligible)	859
Unadjusted Response Rate	(Completed or Partial / Total) * 100	39%
Adjusted Response Rate	(Completed or Partial / Total valids) * 100	51%
Cooperation %	Completed or Quit / (Completed or Quit + (Refused * % Eligible))	86%

3.6 Data preparation

Imputing values for banded responses

For the respondents giving banded responses for their obligation level fees, the mean for the band was imputed. For example, for those giving an exact fee figure for a Corporation Tax calculation of up to £250, the mean fee based on the trimmed data was £119. So, agents giving a banded estimate of 'up to £250' for that obligation were given an imputed value of £119.

The banded estimates for policy level fees were treated differently. For policy fees the majority of agents gave banded estimates, so the mean calculated from the exact fee data was too unstable to use as an imputed estimate. Instead, for policy level fees the mid-point of the band was imputed. For those in the band 'up to £250' the value £125 was imputed; for those in the band '£251-£1000' the value £625 was imputed; for those in the band '£2500-£5000' the value £3750 was imputed. No respondents selected the bands '£1000-£2500' or '£5000 or more'.

Trimming of values at the 5th and 95th percentiles

Trimmed means were generated from the obligation level time and fee data by calculating the 5th and 95th percentile per obligation and trimming values above and below these thresholds to those thresholds. The percentiles were calculated within SPSS. For distributions based on small sample sizes, where no sample members lie exactly at the 5th or 95th percentile, SPSS returns a weighted average of the values

just below and above the percentiles. The implication is that high and low values will be trimmed to this weighted value and not necessarily to an observed value.

For policy level fees, the sample size per policy area or non-banded responses was very small, so in this instance all policy area distributions were trimmed to a minimum of £45 and a maximum of £1,500. This trimmed two values at either end of the distribution, from a total sample of 70.

Weighting

Findings for customs/tax agents are reported separately.

The data for tax agents were weighted by turnover and legal status: agents with turnover of above £81k (from the IDBR) or £81k and below (from the HMRC database). Within each group, they were weighted by legal status: sole traders, partnerships or companies.

The data for customs agents were unweighted because profile data is not available for this group.

Appendix A: Agent discussion guide

The qualitative research aims to build an in depth understanding of the processes experienced by businesses when complying with HMRC regulations and to consider the impact of using digital technology on these processes. It will provide essential insights into HMRC tax obligation requirements and will inform the survey research design.

The qualitative study will explore:

- General views about the use of agents by businesses and whether this has changed over time.
- Use of computerised accounting systems and how far these have changed
- Agents fees – considering how these are organised and what impacts on these
- Information to inform the quantitative stage – including: specific information on obligations and the testing of questions and processes.

Timings	Key Questions
5 mins	<p><u>Introduction</u></p> <ul style="list-style-type: none"> • Thank participant for taking part • Introduce self, Ipsos MORI • Reassure participant that we have their details from HMRC tax records but they have been selected at random rather than for any particular reasons to do with their tax affairs • Emphasise that we will be talking about their experiences of complying with HMRC tax obligations on behalf of business , not to check if they are complying correctly • Confidentiality: reassure all responses anonymous and that information about individuals will not be passed on to anyone, including back to HMRC • Explain the research – will help inform HMRCs work on reducing the burden of administration for businesses and updating/improving their current estimates of the burden of complying with HMRC obligations. • Role of Ipsos MORI – independent research organisation (i.e. independent of GOVERNMENT), gather all opinions: all opinions valid • Get permission to digitally record – transcribe for quotes, no detailed attribution • Any questions
5 mins	<p><u>Contextual information</u></p> <ul style="list-style-type: none"> • Provide overview of the agent organisation <ul style="list-style-type: none"> ○ Type of work carried out by the organisation ○ Size/structure of the organisation • Type of clients/businesses they work with; any particular areas of specialism (industry sector or tax type) • Explore role of the agent within the agent organisation – provide examples <ul style="list-style-type: none"> ○ What role entails ○ Types of businesses they work with ○ Services they provide to business (briefly) ○ Areas of specialism
5mins	<p><u>General views about use of agents by businesses</u></p> <ul style="list-style-type: none"> • Explore perceptions of why business use agents

<u>Timings</u>	<u>Key Questions</u>
	<ul style="list-style-type: none"> ○ Explore why businesses use agents rather than undertaking tasks in-house, which types of business use agents, for which obligations/parts of the process ○ Explore reasons for variation in use of agents by business – is this related to perceived burden of different tax areas? ○ Explore whether they have seen a change in how business use agent over time; reasons for this – provide examples of changes <ul style="list-style-type: none"> ▪ Explore impact of wider external conditions on use – economy, industry, regulations, current climate
15 mins	<p><u>Understanding fees</u></p> <ul style="list-style-type: none"> • Explore process for agreeing fees – who sets fees, how is this worked out; what is it based on – set fee or based on time or activity • Probe on how/whether costs differ by: size of business, type of work, level of work, time spent, by obligation/task, how senior the agent is, complexity of tax area • Explore whether fees can be/are separated out by tax areas or type of activity • Explore whether anything else has impacted on fees – provide examples • Are charges based on complexity/burden of tax requirements, which elements are particularly complex/burdensome and why • Probe on specific obligations: <ul style="list-style-type: none"> ○ Time spent ○ Cost involved/charged to business and why this particular rate for this obligation ○ Who is involved in this activity – member/s of staff involved; seniority; organisation/coordination of staff; wage rate of staff • Explore accounting methods used when dealing with the obligation – paper/electronic; reasons for this – probe whether/how this impacts on cost to business • Explore what the fee for a given obligation usually includes and excludes, or whether they have a separate fee per activity – probe on different activities: <ul style="list-style-type: none"> ○ Understanding the requirement – learning about tax processes, training ○ Gathering information – gathering and assessing relevant information required for tax activity ○ Calculating and preparation – calculating, checking, correcting, internal meetings, external meetings ○ Finalisation and transmission – the process of finalising information, communicating this to HMRC i.e. completing form, filing the submission, settlement/payment of tax ○ Reaching agreement – inspection by HMRC, corrections resulting from inspections
15 mins	<p><u>Use of computer technology</u></p> <ul style="list-style-type: none"> - • Explore type of accounting systems in place within agent organisation – use of computerised systems – probe: XBRL, cloud accounting, other e-filing • Explore extent to which business use computerised systems – probe: XBRL, cloud accounting, other e-filing <ul style="list-style-type: none"> ○ Whether use varies within/ between business; reasons for this ○ Whether businesses are encouraged to use these ○ What encourages business to use these

<u>Timings</u>	<u>Key Questions</u>
	<ul style="list-style-type: none"> • Explore views of using XBRL specifically (from agents and business perspective) – what works well/works less well; main benefits/disbenefits; areas where this could be improved • Explore how computerised systems have changed over time – whether used more widely; more frequently; main changes - reasons for this <ul style="list-style-type: none"> ○ How feel about the fact that some elements are required to be filed electronically; any problems/benefits • Explore impact of computerised systems on the way agents work with their clients; how this has changed; reasons for this • Explore impact of computerised systems on administrative burden felt by business and agent – whether has had positive/negative impact; reasons for this – provide examples • Explore cost impact of electronic accounting on business and agents themselves <ul style="list-style-type: none"> ○ Probe cost to business: cost of setting up, training, time spent on tasks ○ Probe: costs to agent: cost of setting up, training, time spent on tasks • Explore whether the use of computerised technologies has impacted on the fees charged to clients; reasons for this
5 mins	<p><u>Conclusion and thanks</u></p> <ul style="list-style-type: none"> • If you had to send one message to HMRC about the process of tax compliance what would it be • What would be your most important suggestion in terms of how HMRC could make compliance easier for business • Is there anything else you think is relevant and wish to discuss <p>Thank participant and close</p> <ul style="list-style-type: none"> • Next steps in research • Reassure about confidentiality • Incentive - check which charity they would like the money donated to

Appendix B: Business discussion guide

The qualitative research aims to build an in depth understanding of the processes experienced by businesses when complying with HMRC regulations and to consider the impact of using digital technology on these processes. It will provide essential insights into HMRC tax obligation requirements and will inform the survey research design.

The qualitative study will explore:

- General views about the administrative burden of dealing with HMRC obligations.
- The main SCM assumptions – considering the internal and external processes associated with compliance.
- The impact of internal and external changes on business' processes of tax compliance (i.e. growth of businesses, external change in the economy).
- Whether systems for dealing with tax affairs have changed, including use of computerised systems.
- Information to inform the quantitative stage – including: specific information on obligations and the testing of questions and processes.

<u>Timings</u>	<u>Key Questions</u>
5 mins	<p><u>Introduction</u></p> <ul style="list-style-type: none"> • Thank participant for taking part • Introduce self, Ipsos MORI • Reassure participants that we have their details from HMRC tax records but they have been selected at random rather than for any particular reasons to do with their tax affairs • <u>Emphasise</u> that we will be talking about their experiences of complying with HMRC tax obligations in order to understand the processes businesses go through, <u>not to check if they are complying correctly</u> • Confidentiality: reassure all responses anonymous and that information about individuals will not be passed on to anyone, including back to HMRC • Explain the research – will help inform HMRCs work on reducing the burden of administration for businesses and improving our current estimates of the burden of complying with HMRC obligations. • Role of Ipsos MORI – independent research organisation (i.e. independent of GOVERNMENT), gather all opinions: all opinions valid • Get permission to digitally record – transcribe for quotes, no detailed attribution • Any questions
5 mins	<p><u>Contextual information</u></p> <ul style="list-style-type: none"> • Explore details of the business – type/nature of company, years trading, structure of business, number of employees, other <ul style="list-style-type: none"> ○ Explore any recent changes to business (last 2 years) – probe: structure, staffing, business focus, other ○ Briefly – what has driven these • Explore role within the business – main business responsibilities, main responsibilities relating to financial management and tax
20 mins	<p><u>General views about administrative processes of managing tax affairs</u></p> <ul style="list-style-type: none"> • Explore (spontaneous) details of how the business manages their tax affairs <ul style="list-style-type: none"> ○ What tax obligations do they have - probe: CT, SA, PAYE, VAT, NICS, other

Timings	Key Questions
	<ul style="list-style-type: none"> ○ What activities/processes are associated with complying with their tax – probe on the range of obligations mentioned – that is what do they need to do to meet their obligations; what does this involve <ul style="list-style-type: none"> ▪ What activities/processes are undertaken specifically for tax purposes (rather than for managing business more generally) ○ Who in the company deals with these activities; reasons for this; whether this has changed <ul style="list-style-type: none"> ▪ Who deals with operational side of activities – level of seniority – probe: understanding the requirement, gathering information, calculating and preparation, finalising and communication, reaching agreement ▪ Who makes decisions – level of seniority ○ How much time do they spend on each activity (when undertaking processes related to tax) ○ Explore type of accounting systems in place within the company – whether use paper and/or computerised systems – probe: XBRL, e-filing, e-payments <ul style="list-style-type: none"> ▪ How long these have been in place; reason for this – probe: to modernise accounting; because HMRC require this; other ▪ Type of accounting system used for different activities to meet tax obligations – paper/electronic; reasons for this ○ Explore views on use of computerised accounting systems – views on need to file certain elements electronically – probe: for modernisation; because HMRC require this ○ Explore perceptions of time/cost spent on computerised systems overall – high/low; reasonable/unreasonable, other ○ Explore what activities the business use agent for, reasons for this; whether this has changed – probe: when changed – last 6 months, last year, 5 years, ten years; reasons for change <ul style="list-style-type: none"> ▪ Whether agent uses computerised systems – what they use them for; whether this impact on business; how ● Explore overall attitude towards meeting tax obligations and processes associated with this – probe: time taken, costs incurred, activities, other <i>please note: this refers to attitude meeting obligations not paying tax</i> ● Explore impact of the process on the business – how this impacts on the business; reasons for this. Explore: <ul style="list-style-type: none"> ○ Whether process has impacted on their decision making regarding financial management – probe: using an agent, internal staffing, internal systems; reasons for this ○ Regularity of the impact – when/how is noticeable – probe: ongoing, monthly, quarterly, annually, other ○ Whether processes have changed overtime; what time period (easier or harder than before); <ul style="list-style-type: none"> ▪ What has led to changes – probe: changes to company brought about by external factors (financial climate, scrutiny); internal factors (restructuring, new staff, redundancies); changes to tax processes introduced by HMRC ▪ Impact of this on business – has anything eased process of managing tax affairs – provide examples

Timings	Key Questions
25 mins	<p data-bbox="276 264 948 293"><u>The process of dealing with specific obligations</u></p> <p data-bbox="276 331 1430 528"><i>Note to researcher: in this section we will be considering specific obligations in order to understand the processes undertaken to meet these. Please emphasise that we are interested in tax-related activities – that is the extra work undertaken to meet tax requirements. We are not interested in business as usual or additional cost of contacting HMRC when something goes wrong for example. Please note: HMRC has other mechanisms for exploring this type of contact.</i></p> <p data-bbox="276 566 906 595">For each obligation explore (using journey map):</p> <ul data-bbox="276 602 1430 1070" style="list-style-type: none"> <li data-bbox="276 602 1430 667">• Nature of activities undertaken to comply with the obligation – list the activities undertaken along the journey (note on journey map). <ul data-bbox="371 674 1430 1070" style="list-style-type: none"> <li data-bbox="371 674 1430 703">○ Prompt on the following activities: <ul data-bbox="467 710 1430 1070" style="list-style-type: none"> <li data-bbox="467 710 1430 775">▪ Understanding the requirement – learning about tax processes, training <li data-bbox="467 781 1430 846">▪ Gathering information – gathering and assessing relevant information required for tax activity <li data-bbox="467 853 1430 918">▪ Calculating and preparation – calculating, checking, correcting, internal meetings, external meetings <li data-bbox="467 925 1430 990">▪ Finalisation and transmission – the process of finalising information, communicating this to HMRC i.e. completing form, filing the submission, settlement/payment of tax <li data-bbox="467 996 1430 1070">▪ Reaching agreement – inspection by HMRC, corrections resulting from inspections <p data-bbox="276 1077 1430 1171"><i>Please note: if they use an agent they may not have specific information on the obligations. If this is the case, please gather information on general information on what they know and what their role is</i></p> <p data-bbox="276 1209 1107 1238">Explore for each obligation (and selected mini-obligations):</p> <ul data-bbox="276 1245 1430 1818" style="list-style-type: none"> <li data-bbox="276 1245 1430 1274">• Time spent on these activities – probe: length of time, regularity <p data-bbox="276 1281 1430 1339"><i>Note to researcher: SCM think about time in minutes. It would be useful to understand how business think about time - minutes, hours for example</i></p> <ul data-bbox="276 1377 1430 1818" style="list-style-type: none"> <li data-bbox="276 1377 1430 1442">• Who is involved in this activity – member/s of staff involved; seniority; organisation/coordination of staff; wage rate of staff <li data-bbox="276 1449 1430 1514">• Summarise costs to the business – probe: internal (staff, wage rates, training); external (agents fees); acquisition fees (postage, software, other) <li data-bbox="276 1520 1430 1585">• Explore accounting methods used when dealing with the obligation – paper/electronic; reasons for this <li data-bbox="276 1624 1430 1787">• Explore views on meeting this obligation and activities involved in this – how easy or difficult is it; what works well/ what works less well <ul data-bbox="371 1691 1430 1787" style="list-style-type: none"> <li data-bbox="371 1691 1430 1756">○ How much of a ‘burden’ is it to deal with this obligation compared to others; reasons for this <li data-bbox="371 1762 1430 1787">○ Any other issues <li data-bbox="276 1794 1430 1818">• Any ways the process of fulfilling this obligation could be made easier/burden reduced

<u>Timings</u>	<u>Key Questions</u>
5 mins	<p data-bbox="276 264 608 297"><u>Conclusion and thanks</u></p> <ul data-bbox="276 349 1428 584" style="list-style-type: none"><li data-bbox="276 349 1428 416">• If you had to send one message to HMRC about the process of tax compliance what would it be<li data-bbox="276 450 1428 517">• What would be your most important suggestion in terms of how HMRC could make compliance easier for business<li data-bbox="276 551 1428 584">• Is there anything else you think is relevant and wish to discuss <p data-bbox="276 618 636 651">Thank participant and close</p> <ul data-bbox="331 651 1278 819" style="list-style-type: none"><li data-bbox="331 651 675 685">• Next steps in research<li data-bbox="331 719 775 752">• Reassure about confidentiality<li data-bbox="331 786 1278 819">• Incentive - check which charity they would like the money donated to

Appendix C: Business survey questionnaire

HMRC Standard Cost Model: Survey of Businesses

INTRODUCTION

IF SPEAKING TO A SWITCHBOARD

**May I speak with <RESPONDENT NAME IF IN SAMPLE> ELSE DEPENDING ON COMPANY SIZE:
to the Managing Director / Finance Director?**

READ OUT TO RESPONDENT

Hello, my name is from Ipsos MORI - an independent research company. Your business has been selected to take part in a study commissioned by HM Revenue and Customs (HMRC) to help the Government reduce the administrative costs of compliance for businesses.

QA We would like to find out the amount of time your business takes to fulfil your tax obligations. Are you best placed to provide this information?
IF NO, ASK FOR THE APPROPRIATE PERSON, RECORD THEIR DETAILS AND ASK TO BE TRANSFERRED TO THEM.

Yes	1	PROCEED TO S1
No	2	ASK QB

IF NECESSARY: Your business has been selected at random from HMRC's records. This is not in anyway related to your tax dealings with HMRC.

You should have received a letter from HMRC about this research. I can also email you a copy?

QB The survey will take about 20 minutes. Everything you say will be treated in the strictest confidence. Your answers will be combined with those of other respondents and reported at this overall level only; no individuals or businesses will be identified.
Would now be a good time?

Yes	1	PROCEED TO S1
No	2	ASK QC

QC Would it be possible for me to make an appointment to conduct the survey at a time more convenient for you?

Yes	1	ASK QD
No	2	CLOSE

QD I would like to send you some information on the type of questions that we will ask in the survey.

Could I have your email address to send it to you?

Yes	1	SEND DATASHEET
No	2	THANK AND FLAG CALL BACK.

SCREENING QUESTIONS

I would like to start by confirming a few details about your business.

S1 **Is your business?**
SINGLECODE READ OUT

A private or public limited company including building societies	1
A sole proprietor	2
A partnership	3
A charity or voluntary organisation	4
A public corporation/central government department or agency	THANK AND CLOSE
None of the above	
Don't know	
Refused	

ASK IF "EMPLOYEE" IS POPULATED IN THE SAMPLE

S2 **Our record shows that your business has <INSERT FROM SAMPLE> employees in the UK. Is this correct?**

ENTER NUMBER	1	GO TO S4
Don't know	2	GO TO S3B
Refused	3	

ASK IF "EMPLOYEE" IS BLANK IN SAMPLE:

S3A **Approximately how many people are employed by your business in the UK?**

ENTER NUMBER	1	GO TO S4
Don't know	2	GO TO S3B
Refused	3	

ASK IF DON'T KNOW OR REFUSED

S3B **Is it ...?**
 READ OUT
 SINGLE CODE

No employee	1
1 – 9	2
10-19	3
20-49	4
50-99	5
100-249	6
250-499	7
500-999	8
1,000-4,999	9
5,000+	10
Don't know	Thank and Close
Refused	

ASK IF PARTNERSHIP AT S1

S3C **Are you the nominated partner – that is the person responsible for submitting the partnership tax return?** SINGLECODE

Yes	1	DO NOT SELECT "SELF ASSESSMENT" OBLIGATIONS FOR OBLIGATION-SPECIFIC QUESTIONS (CODES 6-7 IN OBLIGATION TABLE)
No	2	
Don't know	3	
Refused	4	

ASK ALL

S4 **Can I confirm that your business is liable for these UK taxes and duties?**

MULTICODE

READ OUT. DP – SEE TABLE ON FINAL PAGE TO MAP CODES 1-5 BELOW TO SAMPLE

Corporation Tax	1
VAT	2
Self assessment	3
Customs Duties	4
PAYE	5
None of the above	THANK AND CLOSE
Don't know	
Refused	

ASK ALL

S5 **Can I confirm that your business is required to fulfil these tax obligations/this tax obligation?**

READ OUT ALL OBLIGATIONS RELATING TO SELECTED POLICY AREA AT S4

IF RESPONDENT DOES NOT RECOGNISE ANY THANK AND CLOSE

Policy area	OBLIGATION
Corporation Tax	
	Prepare and file the Corporation Tax return (CT600 return)
VAT	Issue VAT invoices (full or simplified)
	Keep and maintain a VAT account and submit a VAT return
Self assessment	Complete a Self assessment return related to self employment (Trade pages).
	Complete a Partnership Tax Return (SA800)
	Complete a Self assessment return related to an individual partner (Partnership pages) (Form is SA104)
Customs	Submit a customs declaration (form C88 also known as Single administrative document (SAD))
	Apply for an Economic Operator Registration and Identification (EORI)
PAYE	Complete RealTime Information - Full Payment Submissions – payment to existing staff
	Complete Real Time Information - Full Payment Submissions – additional information for new starter
	Provide information to employees about payments and tax deducted during the tax year (Form P60)

Each respondent gets 2 obligations. The eligibility criteria and priority order are shown in table on the last page. In summary, allocation is based on survey responses with the exception of the “Customs” obligations (this is based on a hybrid).

ASK ALL

S6 **Approximately how many years have you been in business?**

WRITE IN

ENTER YEARS	1
Don't know	2
Refused	3

S7 **What is the main activity of your organisation?**
SINGLE CODE ONLY. PROMPT FROM LIST IF NECESSARY

Agriculture, Forestry and Fishing	1
Mining and Quarrying	2
Manufacturing	3
Electricity, Gas, Steam and Air Conditioning Supply	4
Water Supply, Sewerage and Waste Management	5
Construction	6
Wholesale and Retail Trade	7
Transport and storage	8
Accommodation and Food Service Sector	9
Information and Communications	10
Financial and Insurance Activities	11
Real Estate Activities	12
Professional, Scientific and Technical Activities	13
Administrative and Support Service Activities	14
Public Administration and Defence	15
Education	16
Human Health and Social Work Activities	17
Arts, Entertainment and Recreation	18
Other Service Activities	19
Activities of Households as Employers	20
Extraterritorial Organisations	21
Other (PLEASE SPECIFY)	22
Don't know	23
Refused	24

A. GENERAL QUESTIONS

ASK ALL

A1 **Does your business use an accountant or a tax and/or customs agent for any of your tax or customs affairs?**

SINGLECODE

Yes	1
No	2
Don't know	3
Refused	4

ASK IF YES and >1 TAX AREA AT S4

A2 **Which of these tax areas do they deal with on your behalf?**

MULTICODE

READ OUT CODES SELECTED AT QS4

Corporation Tax	1
VAT	2
Self assessment	3
Customs Duties	4
PAYE	5
Other (write in)	6
Don't know	7
Refused	8

B. POLICY AREA QUESTIONS

ASK IF OBLIGATION SELECTED RELATES TO “VAT”

I would now like to ask you some questions about your VAT obligations.

VAT1 **Is your business partly exempt for VAT purposes?**

EXPLAIN IF NECESSARY: There are some goods and services such as education and training on which VAT is not charged. These are exempt from VAT. Exempt supplies are not taxable for VAT. Your business is partly exempt if it is registered for VAT but makes some exempt supplies, and has incurred VAT on purchases that relate to exempt supplies.

SINGLECODE

Yes	1
No	2
Don't know	3
Refused	4

VAT2 **Does your business sell goods or services with different rates of VAT?**

SINGLECODE

Yes	1
No	2
Don't know	3
Refused	4

VAT3 **How frequently do you complete your VAT returns? Do you do it . . . ?**

READ OUT. SINGLECODE

Monthly	1
Quarterly	2
Annually	3
Don't know	
Refused	

VAT4 **What type of costs does your business incur, if any, in complying with the requirement to keep and maintain VAT records for 6 years?**

Accountants'/agents' bills	1
Storage / electronic archiving	2
Admin staff	3
Maintaining computers	4
Other (WRITE IN)	5
None	6
Don't know	7

C. OBLIGATION SPECIFIC QUESTIONS

DP – SHOW THE SELECTED OBLIGATION ON SCREEN FOR THE WHOLE OF THIS SECTION. THIS SECTION IS A LOOP. WE ASK ABOUT 2 OBLIGATIONS.

TEXT SUBSTITUTION FOR OBLIGATION SHOWN IN TABLE BELOW ALONG WITH TEXT FOR “ADD IF NECESSARY”

Policy area	OBLIGATION	ALSO READ OUT:
	Prepare and file the Corporation Tax (CT600 return)	This is the process of calculating and compiling and checking information required to produce the corporation tax computation and to submit the CT600 return to HMRC.
VAT	Issue VAT invoices (full or simplified)	This is the process of including the information required by HMRC onto each invoice (e.g. an invoice number, seller's name/ address, seller's VAT registration number, invoice date, customer's name/address, a description of the goods or services and any cash discount, total amount of VAT charged etc).
	Keep and maintain a VAT account and submit a VAT return	This is the process involved in keeping and maintaining a VAT account then submitting the VAT return to HMRC. The VAT account includes the general accounting data and involves keeping copies of invoices. The VAT return requires that you provide information on the amount of VAT due on sales and then submit it to HMRC on an annual, quarterly or monthly basis.
Income Tax for Business	Complete a Self assessment return related to self employment (Trade pages).	This is specifically about the parts of the self assessment return related to self employment. This section of the self assessment return asks for information on turnover, expenses, tax allowances and losses in your self employed work.
	Complete a Partnership Tax Return (SA800)	The Partnership Tax Return asks for details of the partnership's income and related information. You may also have to complete 'supplementary', pages covering the less common types of income, and disposals of chargeable assets. We are interested in the time involved in all aspects of the partnership return.

	Complete a Self assessment return related to an individual partner (Partnership pages, Form SA104)	This is the part of the self assessment form that you complete because you are an individual who is part of a partnership. This process involves providing information on your share of the partnerships profits and losses.
Customs	Submit a customs declaration (form C88 also known as Single administrative document (SAD))	Import or export details are usually collected through the submission to Customs and Excise of the Single Administrative Document (SAD). The C88 allows a legal declaration for the import or export of goods to be made on one form.
	Complete the registration process Economic Operator Registration and Identification (EORI)	This is the process of registering for the scheme. A trader wishing to apply for an EORI must do so in writing to the HMRC EORI team.
PAYE	Complete Real Time Information (RTI) Full Payment Submissions relating to payment made to existing staff	This is the part of the PAYE Real Time Information (RTI) process where you have to provide HMRC with information when you make a payment to existing staff.
	Complete Full Payment Submissions – additional information for new starter	This is the part of the PAYE Real Time Information (RTI) process where you have to provide HMRC with information when you have a new starter.
	Provide information to employees about payments and tax deducted during the tax year (Form P60)	This is the process of providing a form P60 to each employee who is working for you at the end of the tax year and for whom you have completed P11.

ASK ALL

I would now like to ask you some questions specifically about your business' obligation to <OBLIGATION 1> and to <OBLIGATION 2>. I will start with <OBLIGATION 1>.

ASK IF OBLIGATION SELECTED =SELF ASSESSMENT (CODES 6-8) OR CUSTOMS (CODES 9-10)

C1 **Do you complete this obligation online or on paper?**

SINGLE CODE

Online	1
Paper	2
Don't know	3

ASK ALL

C2 **Thinking about the last time you had to <OBLIGATION> did you deal with it totally in house, or did you use someone outside of your business (e.g. accountant or tax agent) to deal with some or all of the work involved?**

IF NECESSARY: By in-house, I mean done by the owner or an employee of your business. Outside of the business means someone who is not an employee.

SINGLE CODE ONLY. IF MIX OF IN-HOUSE AND OUTSIDE THE BUSINESS CODE 3

Totally in-house	1
Someone outside of the business did all of the work	2
Partly done in-house and partly by someone outside of the business	3
Other (specify)	4
Don't know	5
Refused	6

ASK IF C2= 2 OR 3

C3 **What does the external agent do for your business in relation to this obligation?**

MULTICODE. PROMPT TO CODE.

INTERVIEWER: IF RESPONDENTS SAYS THEIR AGENT DOES EVERYTHING FOR THEM, PROMPT THEM BY READING OUT ALL THE PRE-CODES AND CODE ACCORDINGLY.

Calculate tax payable	1
Audit our accounts	2
File returns e.g. for PAYE, Company Tax, VAT, Self-assessment, Customs	3
Prepare our accounts	4
Provide payment advice	5
Deal with HMRC's requests for information and inspections	6
Provide advice on general taxation	7
Tax planning	8
Deal with HMRC queries	9
Other (please specify)	10
Don't know	11
Refused	12

ASK IF YES AT C2=2 OR 3

C4 **Thinking about the last time you paid for their professional services for this particular obligation, how much did this cost?**

I would like to assure you that all the information we collect will be kept in the strictest confidence, and used for research purposes only.

IF UNABLE TO GIVE A RESPONSE: Please can you give me your best estimate?

RECORD COST TO NEAREST POUND

COST FOR TAX AFFAIRS	RECORD COST
Don't know	2
Refused	3

ASK ALL

C5 **How easy or difficult is it to prepare and/or provide information for this obligation?**

ADD IF USE TAX AGENT FOR THIS OBLIGATION (C2=CODES 2-3): Since you use someone outside of the business, please think about how easy it is to provide them with any information needed to fulfil the obligation.

READ OUT. REVERSE SCALE
SINGLE CODE

Very easy	1
Fairly easy	2
Neutral	3
Fairly difficult	4
Very difficult	5
Don't know	6

ASK ALL

C6 **And over the past 12 months has the administrative burden of complying with this particular obligation increased, decreased, or has there been no change?**

SINGLE CODE.

Increased	1
Decreased	2
No change	3
Don't know	4

ASK IF INCREASED

C7 **Why do you say it has <increased> over the past 12 months?**

DO NOT READ OUT. MULTICODE.

Changed Customs Arrangements	1
Method of payment for the business has changed (Paid fees instead of commission)	2
Real Time Information requirements	3
Our business has grown/become more complex	4
Increase in staff numbers so payroll takes longer	
HMRC records are incorrect	5
HMRC requires more <u>regular</u> information	6
HMRC requires more <u>detailed</u> information	7
HMRC requirements have changed	8
Can't get in touch with HMRC	
It is a new requirement so we're still learning	
Other (WRITE IN FULLY)	9
Don't know	0

ASK IF DECREASED

C7 **Why do you say it has <decreased> over the past 12 months?**

DO NOT READ OUT. MULTICODE.

Work has decreased	2
Tax returns can now be conducted on a cash basis	
Real Time Information made it easier	
Starter information is no longer difficult to complete	
Other (WRITE IN FULLY)	
Don't know	4

READ OUT TO ALL

I would now like to ask you some questions about the time spent dealing with tax. We are particularly interested in the time spent on processes directly linked to gathering or submitting information because this is required by HMRC and not activities that you do for the normal day-to-day running of your business.

ASK ALL FOR SELECTED OBLIGATION

C8 IF DOES IT IN-HOUSE (C2 = 1,3,4,5,6)

Each time you <OBLIGATION>, approximately how much time does your organisation spend preparing the information required?

ADD IF USE TAX AGENT PARTLY FOR THIS OBLIGATION (C2=CODE 3):

Please also include time spent providing your external agent with the information they require.

IF USE TAX AGENT COMPLETELY FOR THIS OBLIGATION (C2=CODE 2-):

Each time you <OBLIGATION>, how much time does your organisation spend providing your external agent with the information they require .

INTERVIEWER: PLEASE PROBE FOR BEST ESTIMATE. THIS INFORMATION IS VITAL FOR THE STUDY. EVEN IF THEY USE AN AGENT, THEY WILL HAVE HAD TO SPEND TIME PROVIDING THE AGENT WITH INFORMATION.

DP – see attached excel file for range checks and bands.

	RECORD TIME	
Don't know	1	ASK BANDS
Refused	2	ASK BAND

IF ANSWER AT C8 IS OUTSIDE OF RANGE

C8B1 **Can I just double check that the figure of <C8 RESPONSE> is correct?**

YES – GO TO C9

NO – GO TO C8B

ASK IF DK OR REFUSED AT C8 OR 'NO' AT C8B1

C8B **Do you think it would it be more or less than ?**

READ OUT BANDS.

ALLOW "DON'T KNOW" OR "REFUSED"

SELECTED OBLIGATION 1

ASK ALL EXCEPT NANO/MICRO/SMALL WHO USES AN AGENT FOR ALL THE WORK ((S2/S3/S3B <50 employees) AND (C2=2) – THESE RESPONDENTS GO TO C10

C9 **IF (C2 = 1,3,4,5,6)**

I am now going to ask you about the specific activities you undertake to prepare and/or provide information for this particular obligation.

ADD IF USE TAX AGENT PARTLY FOR THIS OBLIGATION (C2=CODES 3):
Please also include the work you have to undertake to provide your external agent with the information they require.

IF USE TAX AGENT COMPLETELY FOR THIS OBLIGATION (C2=CODES 2):
I am now going to ask you about the specific activities that your organisation undertakes in order to provide information to your external agent for this obligation.

Each time <IF C2=2: your external agent><IF C2=3 you and your external agent"><ELSE: you> undertake this obligation, do you (IF S2 OR S3A OR S3B> 0": or your employees) spend time . . .

READ OUT 1-5.

REMINDE AS NECESSARY: **Again we are interested in the work undertaken to meet tax requirements and not activities that you do for the normal day-to-day running of your business.**

ACTIVITIES 1-5	
. . . gathering, retrieving and assessing relevant figures/information?	1
. . . preparing/calculating figures?	2
. . . preparing written descriptions of data, copying, filing, distributing or submitting information/reports?	3
. . . making settlements or payments (eg. taxes or charges)?	4
. . . Are there any other activities you do that I have not mentioned? IF YES (SPECIFY)	WRITE IN

ASK IF>1 ACTIVITY AT C9

C9B **Which of these activities take you the longest to do? SINGLE CODE**

DP: DISPLAY RESPONSES TO C9

Don't know	
------------	--

CREATE DUMMY VARIABLE TO USE AT C9C COMPRISING RESPONSE AT C9B. USE THE FOLLOWING TEXT SUBSTITUTION AT C9C:

ASK IF >1 ACTIVITY AT C9

C9C Each time you <INSERT DUMMY> approximately how much time does it take?

DP – USE SAME TIME CONVENTION AS RECORDED AT C8. RESPONSE MUST NOT BE >C8. DISPLAY ON SCREEN “TOTAL TIME SPENT AT C8” FOR INTERVIEWER

	RECORD TIME
Don't know	1
Refused	2

ASK IF (S2 OR S3A OR S3B)>0

C10 IF NANO/MICRO/SMALL WHO USES AN AGENT FOR ALL THE WORK ((S2/S3/S3B =1-49 employees) AND (C2=2)

How many staff members are usually involved in providing your external agent with the information they require to fulfil this obligation?

ASK IF (S2 OR S3A OR S3B)>0 AND >1 ACTIVITY AT C9 AND NOT NANO/MICRO/SMALL WHO USES AN AGENT FOR ALL THE WORK (ABOVE) , EVERYONE ELSE GO TO C12

Thinking about this obligation as a whole – that is, to <OBLIGATION> how many staff members usually prepare the information required?

INTERVIEWER: THE ACTIVITIES THAT THEY SAID THEY DO ARE: <insert activities specified at C9>

ASK IF (S2 OR S3A OR S3B)>0 AND 1 ACTIVITY AT C9 AND NOT NANO/MICRO/SMALL WHO USES AN AGENT FOR ALL THE WORK (ABOVE) , EVERYONE ELSE GO TO C12

How many staff members usually prepare the information required?

WRITE IN. CAN'T BE > FIGURE AT S2/S3A/B.

IS UNSURE, PROMPT AND SELECT CODE 2 IF “YES”: **Is it usually more than one person?**

WRITE IN NUMBER	1
Not sure, but more than one person	2
Don't know	3
Refused	4

ASK IF (S2 OR S3A OR S3B)>0

C11 IF STAFF = 1 AT C10: **What is the job title of this staff member?**
INTERVIEWER: REFER TO SHOWCARD TO PROMPT TO CODE.

SINGLE CODE ONLY.

IF STAFF>1 OR "NOT SURE" OR "DON'T KNOW" OR "REFUSED" AT C10 **AND**
IS A NANO/MICRO/SMALL WHO USES AN AGENT FOR ALL THE WORK
((S2/S3/S3B <50 employees) **AND** (C2=2).

What is the job title of the staff member who usually provide your external agent with the information they require to fulfil this obligation?
Please do not include anyone who is not an employee of your organisation.
MULTICODE. PROMPT TO CODE.

EVERYONE ELSE

LOOP IF STAFF>1 OR DK OR REFUSED AT C10 (IE. ASK FOR EACH
SELECTED ACTIVITY): **What is the job title of the staff member who mainly**
<READ OUT SELECTED ACTIVITY AT C5>? READ OUT ONCE ONLY: **Please**
do not include anyone who is not an employee of your organisation.
SINGLECODE. PROMPT TO CODE.

A	Chief executives, Chairperson,	1
B	Senior/Departmental managers and director(Financial Controllers, Group Tax Managers, Operations Managers)	2
C	Office/General managers	3
D	Chartered and certified accountants	4
E	Business, finance and related associate professionals	5
F	Taxation experts	6
G	Human resources and industrial relations officers	7
H	Accountants, Book- keepers, payroll managers and wages clerks	8
I	Other administrative occupations	9
	Owner / Proprietor	10
	Partner	11
J	Or another occupation (please specify job title and description of the work they do)	12
	Don't know	13

ASK ALL WHO GAVE A RESPONSE AT C8 / C8B. IF DK/REF AT C8 AND C8B GO STRAIGHT TO C13
 C12 **You mentioned earlier that it takes your business around <TIME AT C8 – ACTUAL OR BANDED> to prepare and/or provide information for this obligation. Does this still sound about right?**

Yes	
No	ASK C12 CHECK AND CREATE "NEW C8" DERIVED VARIABLE.
Don't know	

ASK IF CODE 2 AT C12

C12 **What is the correct amount of time your organisation spend preparing/and or providing information for this obligation?**
 CHEC
 K

DP: SAME RANGE CHECKS AND BANDS AS AT C8

	RECORD TIME	
Don't know	1	ASK FOR BANDS
Refused	2	

ASK ALL

C14 **Do you use computer software packages such as SAGE, Iris or free HMRC softwares, to prepare or file the information requested to meet this tax obligation?**
 SINGLECODE

Yes	1
No	2
Don't know	3
Refused	4

ASK IF "NO" AT C14

- C15 **Why does your business not use computer software packages to help manage this tax obligation?**
DO NOT READ OUT.
MULTI CODE.

Too expensive	1
Do not have the necessary knowledge to use them	2
Not necessary for the size of your business	3
Lack confidence with technology	4
No need, agent/accountant does it all for us	5
It's cheaper to pay a third party to do it	6
No need, the process is straightforward	7
No need, we use a spreadsheet	8
Other (please specify)	9
10	7
Refused	11

ASK IF "YES" AT C14

- C16 **Which software packages do you use for this particular obligation? Is it a . . .**
READ OUT. ROTATE. MULTICODE

Free HMRC software	1
Free commercial software	2
Paid for commercial software	3
Don't know	4
Refused	5

ASK IF "YES" AT C14

C17 **Which of the following do you use the software packages for?** READ OUT 1 TO 5. MULTICODE.

DP: ONLY SHOW CODE 4 AND THE EXPLANATION BELOW IF OBLIGATION SELECTED = CORPORATION TAX (CODES 1-2 IN OBLIGATION TABLE).

EXPLAIN IF NECESSARY: **XBRL or eXtensible Business Reporting Language is a process that adds computer-readable tags to business data. It allows the data to be processed automatically by software. The tags are included in the business accounts and computations that are sent to HMRC as part of the Corporation Tax return.**

EXPLAIN IF NECESSARY: Cloud accounting uses the internet to access software rather than physically installing it on a computer. Cloud accounting software collects and stores information to help with record keeping. Using this software businesses can interact with their accountant in real time instead of having to send the data file to the accountant each time.

Transferring information – cloud accounting	1
Submission of returns	2
Calculating tax payable	3
To generate the XBRL tag	4
Or something else (specify)	5
Don't know	6
Refused	7

ASK IF "YES" AT C14

C18 **Has the use of this(ese) computer software(s) reduced or increased the admin burden for this tax obligation or has it/have they not made any difference?**

SINGLE CODE.

Reduced	1
Increased	2
Not made any difference	3
Don't know	4

ASK CT1 AND CT2 IF OBLIGATION SELECTED IS "CORPORATION TAX (CODES 1-2) AND USE XBRL TAG AT C17 (CODE 4). IF BOTH CORPORATION TAX OBLIGATIONS ARE SELECTED, ASK THIS QUESTION ONCE ONLY.

CT1 **Has the introduction of the XBRL process resulted in an increase or decrease in the administrative costs to your business or has it made no difference?**

SINGLE CODE

An increase	1
A decrease	2
Made no difference	3
Don't know	4
Refused	5

ASK IF INCREASE

CT2 **How has it increased the administrative costs to your business?**

PROBE FULLY: **What is your business doing differently?** WRITE IN FULLY.

Have to pay for the service of an Auditor	1
Have to buy software	2
Have to train staff to use software	3
Other (Specify)	4
Don't know	5

ASK IF OBLIGATION SELECTED = RTI (CODES 11-12). IF BOTH OBLIGATIONS ARE SELECTED, ASK PAYE1-3 ONCE ONLY

PAYE **Has your business used the EPS or Employer Payment Summary?**

1

EXPLAIN IF NECESSARY: Businesses must submit an Employer Payment Summary if no payments to employees are made within a pay period, or if you want to recover statutory payments, Construction Industry Scheme (CIS) deductions suffered or NICs Holiday.

SINGLECODE

Yes	1
No	2
Don't know	3

ASK IF YES

PAYE 2 **Does the EPS take more or less time to complete than the full payment submission for existing staff, or does it take about the same amount of time?**

SINGLECODE

More time	1
Less time	2
No difference	3
Don't know	4

ASK IF OBLIGATION SELECTED IS "ADDITIONAL INFORMATION FOR NEW STARTER"

PAYE 3 **And does the process for dealing with leavers take more or less time than for joiners or does it take about the same amount of time?**

SINGLECODE

More time	1
Less time	2
No difference	3
Don't know	4

READ OUT TO ALL WITH A SECOND OBLIGATION SELECTED.

I would now like to ask you about your business' obligation to <OBLIGATION 2>.

LOOP BACK TO C1.

Appendix D: Agent survey questionnaire

INTRODUCTION

READ OUT TO ALL WITH NAME IN THE SAMPLE

Can I speak to <NAME FROM SAMPLE>?

IF SPEAKING TO A SWITCHBOARD OF CUSTOMS AGENTS

Can I speak to someone who deals with the administration of customs declarations?

IF SPEAKING TO A SWITCHBOARD OF NON-CUSTOMS AGENTS OR NO NAME IN THE SAMPLE

Can I speak to someone who deals with tax returns? ADD IF NECESSARY We would like to speak to someone about the different types of tax-related services you provide for businesses.

READ OUT TO ALL

Hello, my name is and I'm calling from Ipsos MORI an independent market research company.

IF SPEAKING TO CUSTOMS AGENTS

You have been selected to take part in a survey commissioned by HM Revenue and Customs - HMRC. HMRC would like to understand the views of customs agents and freight forwarders that submit customs declarations on behalf of businesses involved in importing and exporting. This will help the Government reduce the administrative cost of compliance for businesses.

We would like to speak to someone best placed to answer questions about customs services you provide for businesses. Are you best placed to provide this information?

IF SPEAKING TO NON-CUSTOMS AGENTS

You have been selected to take part in a survey commissioned by HM Revenue and Customs - HMRC. HMRC would like to understand the views of tax agents and advisors on the processes experienced by businesses when complying with HMRC regulations. This will help the Government reduce the administrative cost of compliance for businesses.

We would like to speak to someone best placed to answer questions about the different types of tax-related services you provide for businesses. Are you best placed to provide this information?

IF NO, PLEASE ASK TO BE TRANSFERRED TO SOMEONE WHO CAN PROVIDE AN OVERVIEW

IF NECESSARY: Your business has been selected at random from [ADD DEPENDING ON SAMPLE GROUP HMRC's records/ the Inter-Departmental Business Register which is a list of UK businesses maintained by the Office for National Statistics]. You have not been targeted for any reason.

You should have received a letter from HMRC about this research. I can also email you a copy?

The survey will take about 10 to 15 minutes. Everything you say will be treated in the strictest confidence. Your answers will be combined with those of other respondents and reported at this overall level only; no individuals or businesses will be identified.

SCREENING QUESTIONS

ASK ALL EXCEPT CUSTOMS AGENTS

S1 **Firstly, can I check, does your organisation undertake activities that deal with tax on behalf of business clients (e.g. self-employed, partnerships and companies), private clients, or both? SINGLE CODE**

Self-employed/Business Clients Only	1	GO TO S3
Private Clients Only	2	THANK AND CLOSE
Self-employed/Business and Private clients	3	GO TO S2
Neither	4	THANK AND CLOSE
Don't know	5	
Refused	6	

ASK IF DEAL WITH BUSINESS AND PRIVATE CLIENTS (CODE 3) AT S1. OTHERS GO TO S3

S2 **Approximately what proportion of your work is with businesses? READ OUT. SINGLE CODE**

50% or more	1
Less than 50%	2
Don't know	3
Refused	4

ASK ALL EXCEPT CUSTOMS AGENTS

S3 **Which of the following does your business deal with on behalf of your clients? READ OUT CODE 1 TO 5. MULTICODE OK**

Corporation Tax	1	
VAT	2	
Self Assessment	3	
Customs Duties	4	
PAYE	5	
None of them	6	
Don't know	7	THANK AND CLOSE
Refused	8	

ASK IF MULTICODE AT S3 (CODES 1 TO 5). OTHERS GO TO FILTER AT S3

S4 **And which of these does your business mainly deal with on behalf of your clients? READ OUT OPTIONS SELECTED AT S3. SINGLE CODE**

Corporation Tax	1
VAT	2
Self Assessment	3
Customs Duties	4
PAYE	5
All of them	6
Don't know	7
Refused	8

ASK ALL CUSTOMS AGENTS

S5 **Does your business deal with administration related to customs duties on behalf of your clients (e.g. making customs declarations)?** SINGLE CODE

Yes	1	
No	2	
Don't know	3	THANK AND CLOSE
Refused	4	

DP: CREATE DERIVED VARIABLE FOR RANDOM SELECTION. EACH RESPONDENT WILL BE ASKED TWO OBLIGATIONS FROM TWO DIFFERENT POLICY AREAS APART FROM (i) CUSTOMS AGENT OR IF S3=CODE 4 ONLY OR (ii) NON-CUSTOMS AGENTS WHO ONLY DEAL WITH ONE POLICY AREA AT S3.

- IF SAMPLE = CUSTOMS AGENT OR IF S3=CODE 4 ONLY, FLAG AS "CUSTOMS AGENTS" AND ASK OBLIGATIONS 7 AND 8
- IF S3 = 4 AND (1 OR 2 OR 3 OR 5), SUPPRESS CODE 4 AND RANDOMLY ALLOCATE TO TWO OBLIGATIONS IN TWO DIFFERENT POLICY AREAS
- EVERYONE ELSE, RANDOMLY ALLOCATE TO TWO OBLIGATIONS IN TWO DIFFERENT POLICY AREAS, BASED ON RESPONSE AT S3. MULTICODE OK. FOR THOSE WHO DEAL WITH ONLY ONE POLICY AREA ASK ABOUT UP TO TWO OBLIGATIONS IN THAT POLICY AREA

TARGET IS TO ACHIEVE AN EVEN NUMBER FOR EACH OBLIGATION

DP: FLAG OBLIGATIONS FOR POLICY AREA SELECTED IN TABLE 1

POLICY AREA	OBLIGATIONS		
Corporation Tax	Produce the Corporation Tax Computation for the Company Tax Return (Form CT600)	1	80
	File the Company Tax Return the CT600 return	2	80
VAT	Prepare information for and submit a VAT return	3	80
	Self Assessment return related to self employment (Trade pages)	4	80
Self Assessment	Partnership Tax Return (SA800)	5	80
	Self Assessment return related to an individual partner (Partnership pages; Form SA104)	6	80
Customs	Submit a customs declaration (Form C88 also known as Single administrative document (SAD))	7	80
	Provide evidence to support a claim for a preferential rate – Form A	8	80
PAYE	Real Time Information - Full Payment Submissions	9	80
	Information to employees about payments and tax deducted during the tax year (Form P60)	10	80

ASK ALL EXCEPT CUSTOMS AGENTS

S6 **Do you outsource any tax-related services in these areas? This includes contracting out to businesses based overseas.** READ OUT CODES 1 TO 5. MULTICODE OK.

Corporation Tax	1
VAT	2
Self Assessment	3
Customs Duties	4
PAYE	5
None of the above	6
Don't know	7
Refused	8

ASK ALL CUSTOMS AGENTS

S7 **Do you outsource any administration related to customs duties on behalf of your clients? This includes contracting out to businesses based overseas.** SINGLE CODE

Yes	1
No	2
Don't know	3
Refused	4

ASK ALL

S8 **And would you tell me your job title? DO NOT PROMPT.** SINGLE CODE

Account manager	1
Accountant	2
Bookkeeper	3
Chartered Tax Advisor	4
Director	5
Manager (general)	6
Managing Director	7
Operations Director	8
Partner	8
Payroll manager	10
Personal Tax Manager	11
Senior Partner	12
Tax Advisor	13
Tax Manager	14
Tax partner	15
Tax compliance partner	16
Other (please specify)	0
Don't know	X
Refused	Y

A: FIRMOGRAPHICS OF AGENT AND THEIR CLIENTS
--

READ OUT TO ALL

I am now going to ask you some questions about your business.

ASK ALL

A1 **Approximately how many years have you been in business?** WRITE IN NUMBER

ENTER YEARS	1
Don't know	2
Refused	3

A2 **Approximately how many people are employed by your organisation?**

ADD AS NECESSARY: **Please think about your whole organisation in the UK.**

ENTER NUMBER	1	GO TO A4
Don't know	2	GO TO A3
Refused	3	

ASK IF DON'T KNOW OR REFUSED (CODE 2 OR 3) AT A2. OTHERS GO TO A4

A3 **Is it approximately...?** READ OUT CODES 1 TO 9. SINGLE CODE

Less than 10	1
10-19	2
20-49	3
50-99	4
100-249	5
250-499	6
500-999	7
1,000-4,999	8
5,000+	9
Don't know	10
Refused	11

ASK ALL

A4 **Is your organisation...?** READ OUT CODES 1 TO 6. SINGLE CODE

DP: SHOW CODES 5 AND 6 FIRST FOR CUSTOMS AGENTS

An accountancy / auditing firm	1
A book keeping firm	2
A tax consultancy	3
A law firm	4
A customs agent	5
International trade or freight forwarder	6
Other (please specify)	7
Don't know	8
Refused	9

ASK ALL

A5

Approximately how many business clients does your organisation provide <ALL EXCEPT CUSTOMS AGENTS: tax-related services><CUSTOM AGENTS: customs services> to?

ADD AS NECESSARY: **Please think about your whole organisation, but only in the UK**

ENTER NUMBER	1	
Don't know	2	GO TO A6
Refused	3	

ASK IF DON'T KNOW OR REFUSED (CODE 2 OR 3) AT A5

A6

Is it approximately...? READ OUT CODES 1 TO 8. SINGLE CODE

10 or less	1
11-50	2
51-100	3
101-250	4
251-500	5
501-1,000	6
1,001-5,000	7
5,001+	8
Don't know	9
Refused	10

ASK IF BUSINESS HAS BEEN ESTABLISHED AT LEAST FIVE YEARS AT A1

A7

Has the number of [ADD IF CODE 3 AT S1 **business] clients your organisation deals with for <ALL EXCEPT CUSTOMS AGENTS: tax-related services><CUSTOM AGENTS: customs duties services> increased or decreased over the last five years, or has there been no change? READ OUT CODES 1 TO 3. SINGLE CODE**

Increased	1
Decreased	2
No change	3
Don't know	4
Refused	5

ASK ALL

A8

What size businesses are your clients? Are they? READ OUT CODES 1 TO 5 INCLUDING DESCRIPTIONS IN BRACKETS. MULTICODE OK

Businesses with no employees (e.g. sole traders or self-employed people with no employees)	1
Micro businesses (1-9 employees)	2
Small businesses (10-49 employees)	3
Medium businesses (50-249 employees)	4
Large businesses (250+ employees)	5
Don't know	6
Refused	7

ASK IF CLIENTS HAVE DIFFERENT SIZE BUSINESSES (AT LEAST TWO CODES SELECTED FROM CODE 1 TO 5) AT A8. OTHERS GO TO SECTION B

A9 **What percentage of your business revenue comes from . . . ? Please provide your best estimate to sum to 100%. DP – ONLY SHOW OPTIONS SELECTED AT A8 AND READ OUT DESCRIPTIONS IN BRACKETS. NEED TO SUM TO 100%.**

Businesses with no employees (e.g. sole traders or self-employed people with no employees)	ENTER %
Micro businesses (1-9 employees)	ENTER %
Small businesses (10-49 employees)	ENTER %
Medium businesses (50-249 employees)	ENTER %
Large businesses (250+ employees)	ENTER %
Don't know	2
Refused	3

B: SERVICES PROVIDED TO BUSINESS CLIENTS

READ OUT TO ALL

I am now going to ask you some questions about your [ADD IF CODE 3 AT S1 business] clients and the services you provide to them.

ASK ALL EXCEPT CUSTOMS AGENTS

B1a **Which of the following services do you provide to your [ADD IF CODE 3 AT S1 business] clients? READ OUT CODES 1 TO 9. RANDOMISE ORDER. MULTICODE OK**

Calculating tax payable	1
Auditing accounts	2
Filing returns	3
Preparing accounts	4
Payment advice	5
Dealing with HMRC's requests for information and inspections	6
Providing advice on general taxation	7
Tax planning	8
Dealing with HMRC queries	9
Other (please specify)	10
Don't know	11
Refused	12

ASK ALL CUSTOMS AGENTS

B1b **Which of the following services do you provide to your clients? READ OUT CODES 1 TO 9. RANDOMISE ORDER. MULTICODE OK**

Calculating tax payable	1
Payment advice	2
Dealing with HMRC's requests for information and inspections	3
Dealing with HMRC queries	4
Other (please specify)	5
Don't know	6
Refused	7

ASK ALL

B2 **Which of the following best describes how you determine the fees you charge clients?**
 READ OUT CODES 1 TO 4. MULTICODE OK

Time charges	1
Tiered rates depending on complexity of services	2
Fixed fees	3
Fee schedule for products delivered	4
Other (please specify)	5
Don't know	6
Refused	7

ASK IF MULTICODE (CODES 1 TO 5) AT B2. OTHERS GO TO B4

B3 **And which do you use most frequently?**
 READ OUT OPTIONS SELECTED AT B3. SINGLE CODE

Time charges	1
Tiered rates depending on complexity of services	2
Fixed fees	3
Fee schedule for products delivered	4
Other (please specify)	5
Don't know	6
Refused	7

ASK ALL

B4 **Do your fees include the time that you spend contacting HMRC in order to deal with problems, or would this be an additional fee?** SINGLE CODE

Yes - included in the fee	1
No – an additional fee would be charged	2
Depends on the circumstances	3
Other (please specify)	4
Don't know	5
Refused	6

ASK IF CLIENTS HAVE DIFFERENT SIZE BUSINESSES (AT LEAST TWO CODES SELECTED FROM CODE 1 TO 5) AT A8. OTHERS GO TO READ OUT ABOVE B6

B5 **Do you vary your fees for different sized business clients?** SINGLE CODE

Yes	1	
No	2	
Don't know	3	
Refused	4	

READ OUT TO ALL ASK FOR OBLIGATION SELECTED AT DERIVED VARIABLE IN SCREENER SECTION

READ OUT FOR CUSTOMS AGENTS

I would now like to ask you some questions specifically about two obligations relating to customs duties which are <READ OUT OBLIGATIONS 7 AND 8>.

EXPLAIN IF NECESSARY: HMRC is asking for this information in order to estimate the average costs to businesses in complying with customs duties. This information will be treated in the strictest confidence and will be reported at the aggregate level only.

READ OUT FOR NON-CUSTOMS AGENTS

I would now like to ask you some questions about two tax obligations relating to the areas you deal with on behalf of clients which are <READ OUT TWO RANDOMLY SELECTED OBLIGATIONS>.

EXPLAIN IF NECESSARY: HMRC is asking for this information in order to estimate the average costs to businesses in complying with their tax obligations. This information will be treated in the strictest confidence and will be reported at the aggregate level only.

START OF LOOP

I would like to ask you about <READ OUT FIRST OBLIGATION>, for your average client?

ADD AS NECESSARY <DP – PLEASE SHOW DESCRIPTION OF FIRST SELECTED OBLIGATION AS OUTLINED IN TABLE BELOW ON PAGE 11-12>

B7 Thinking about <READ OUT FIRST OBLIGATION>, typically how many hours does it take your business to complete this obligation for your average client?

DP – PLEASE SHOW FIRST OBLIGATION FROM DUMMY LIST

ALLOW FOR HOURS OR MINUTES ENTRY. “DON’T KNOW” AND “REFUSED” OPTIONS

B8 Who in your organisation typically deals with this obligation for your average client?

READ OUT CODES:

1. Mainly junior accountants/book keepers
2. Mainly senior accountants / managers
3. Mainly partners / owners of the business
4. Other (write in)
5. All levels

RECORD “DON’T KNOW” AND “REFUSED”

B9a Are you able to provide information on what you typically charge for <OBLIGATION>? Please be reassured everything you say will be treated in the strictest confidence. SINGLE CODE ONLY

Yes	1	GO TO FILTER AT B9b
No	2	GO TO FILTER AT B9c

B9b How much does your organisation typically charge for dealing with this obligation for your average client? Please provide the total cost or an hourly rate.

DP – SET UP SEPARATE BOXES TO RECORD TOTAL COST OR HOURLY FEE AT B9b

RECORD “DON’T KNOW” AND “REFUSED”

B9c **How much does your organisation typically charge for dealing with <POLICY AREA> for your average client? Please provide the total cost or an hourly rate.**

INTERVIEWER ADD IF NECESSARY: **If you normally charge a single fee for all <ADD IF NON-CUSTOMS AGENTS tax-related work; ADD IF CUSTOMS AGENTS customs-related work> please can you provide an estimate for <POLICY AREA>.**

DP – SET UP SEPARATE BOXES TO RECORD TOTAL COST OR HOURLY FEE AT B9c

RECORD “DON’T KNOW” AND “REFUSED”

ASK ALL WHO CODE “DON’T KNOW” AND REFUSED AT B9b OR B9c
B9d **Is the total cost approximately....? SINGLE CODE ONLY**

Less than £250	1
Between £251 and £1,000	2
Between £1,001 and £2,500	3
Between £2,501 and £5,000	4
Between £5,001 and £7,500	5
More than £7,501	6
Don't know	7
Refused	8

DP: FOR EACH AGENT ASK ABOUT TWO OBLIGATIONS

Now thinking about <READ OUT SECOND OBLIGATION> ...?>

ADD AS NECESSARY <DP – PLEASE SHOW DESCRIPTION OF SECOND SELECTED OBLIGATION AS OUTLINED IN TABLE BELOW ON PAGE 11-12>

LOOP BACK TO B7 FOR SECOND OBLIGATION.

ALL AGENTS HAVE THE LOOP TWICE UNLESS THEY ONLY DEAL WITH VAT POLICY AREA AT S3 IN WHICH CASE THEY WILL ONLY BE ASKED ABOUT OBLIGATION 3

.....

Policy area	OBLIGATION	ADD IF NECESSARY	B7 HOURS	B8 STAFF	B9 FEES
Corporation Tax	Producing the Corporation Tax Computation for the Company Tax Return (Form CT600)	This is the documentation of the calculations of tax required for the CT600 form.			
	Filing the Company Tax Return the CT600 return	This is the process of compiling information from different sources into the CT 600 return to submit to HMRC.			
	Submitting a VAT return	This is the process of gathering the information required for the return such as the amount of VAT due on sales and then submitting it to HMRC.			
Self Assessment	Completing a Self assessment return related to self employment (Trade pages).	This is specifically about the parts of the Self Assessment return related to self employment. This section of the Self Assessment return asks for information on turnover, expenses, tax allowances and losses in your client's self employed work.			
	Completing a Partnership Tax Return (SA800)	The Partnership Tax Return asks for details of the partnership's income and related information. You may also have to complete 'supplementary', pages covering the less common types of income, and disposals of chargeable assets. We are interested in the time involved in all aspects of the partnership return.			
	Completing a Self Assessment return related to an individual partner (Partnership pages, Form SA104)	This is specifically about the parts of the Self Assessment related to an individual who is part of a partnership. This process involves providing information on your share of the partnerships profits and losses.			
Customs	Submitting a customs declaration (form C88 also known as Single administrative document (SAD))	Import or export details are usually collected through the submission to Customs and Excise, of the Single Administrative Document (SAD). The C88 allows a legal			

		declaration for the import of goods to be made on one form.			
	Providing evidence to support a claim for a preferential rate – Form A	<p>This is the process involved in applying for a General System of Preference.</p> <p>The 'Preference' means you pay a lower rate of import Customs duty and or levy charge, or none at all, on your goods. To get preference, you must show that the goods have met certain origin rules and to do so you need to produce to Customs a valid preference document (such as the Form A).</p> <p>We are particularly interested in the process involved in providing evidence for the Form A.</p> <p>As part of this process evidence needs to be submitted to the HM Revenue & Customs National Clearance hub in Salford or made available in the importer's records.</p>			
PAYE	Completing Real Time Information (RTI) Full Payment Submissions	This is the part of the RTI process where an employer has to provide HMRC with information when a payment is made to existing staff or a new starter.			
	Providing information to employees about payments and tax deducted during the tax year (Form P60)	This is the process of providing a form P60 to each employee who is working for your client at the end of the tax year and for whom the employer has completed the P11.			

C: USE OF COMPUTER TECHNOLOGY

READ OUT TO ALL

I am now going to ask you about using computer technology in dealing with your [ADD IF CODE 3 AT S1 business] clients' [ADD IF NON-CUSTOMS AGENTS tax obligations; ADD IF CUSTOMS AGENTS customs duties e.g. customs declarations].

ASK ALL

C1 Does your business use computer software packages, including accounting software, when dealing with [ADD IF CODE 3 AT S1 business] clients'[ADD IF NON-CUSTOMS AGENTS tax obligations; ADD IF CUSTOMS AGENTS customs duties]? SINGLE CODE

Yes	1
No	2
Don't know	3
Refused	4

ASK ALL WHO DO NOT USE COMPUTERISED SYSTEMS (CODE 2) AT C1. OTHERS GO TO FILTER AT C3

C2 And why do you not use computerised systems in your work? DO NOT PROMPT.

MULTI CODE OK

Cost is too high	1
Lack of experience with systems	2
Do not have time to learn how to use them	3
Workload is manageable without them	4
Have always worked with paper records / the same way	5
Other (please specify)	6
Don't know	7
Refused	8

ASK IF USE COMPUTER SYSTEMS (CODE 1) AT C1. OTHERS GO TO READ OUT ABOVE C11

C3 Does your business use computer software packages for any of the following? READ OUT 1 TO 4. IF CODE 4 WRITE IN OTHER RESPONSE. MULTICODE OK

Transferring information on tax or customs between yourself and your client – cloud accounting	1
Submission of tax/customs returns	2
Calculating tax payable	3
Or something else (specify)	4
Don't know	5
Refused	6

ASK IF USE COMPUTER SYSTEMS (CODE 1) AT C1. OTHERS GO TO READ OUT ABOUT C11

C4 Thinking about the computer software packages you currently use for [ADD IF NON-CUSTOMS AGENTS tax-related work; ADD IF CUSTOMS AGENTS customs duties], has using them allowed you to change your fees? SINGLE CODE

Yes	1
No	2
Don't know	3

Refused	4
---------	---

ASK IF USING SOFTWARE HAS CHANGED FEES (CODE 1) AT C4. OTHERS GO TO READ OUT ABOVE C11
C5 **Has it reduced or increased your fees? SINGLE CODE**

Reduced fees	1
Increased fees	2
Don't know	3
Refused	4

ASK IF USING SOFTWARE HAS INCREASED OR DECREASED FEES (CODE 1 OR 2) AT C5
C6 **And by approximately how much has your business had to IF CODE 1 AT C5 <reduce>
IF CODE 2 AT C5 <increase> fees as a direct result of using computerised systems?
Please answer as a percentage. SINGLE CODE**

ENTER PERCENTAGE	1
Don't know	2
Refused	3

ASK IF USING SOFTWARE HAS CHANGED FEES (CODE 1) AT C4 AND DEAL WITH MORE THAN ONE TAX
AREA (MULTICODE AT S3). OTHERS GO TO FILTER AT C8

C7 **Has this been particularly evident in any of the tax areas that you deal with?
READ OUT OPTIONS SELECTED AT S3. MULTICODE**

Corporation Tax	1
VAT	2
Self Assessment	3
Customs Duties	4
PAYE	5
Don't know	6
Refused	7

ASK IF USING SOFTWARE HAS INCREASED OR DECREASED FEES (CODE 1 OR 2) AT C5
C8 **Which of the following types of software have IF CODE 1 AT C5 <allowed you to
reduce> IF CODE 2 AT C5 <resulted in you needing to increase> your fees?
READ OUT CODES 1 TO 4. MULTICODE OK**

Paid for commercial software	1
Free commercial software	2
HMRC's free software	3
Another type of software (please specify)	4
Don't know	5
Refused	6

ASK IF REDUCED FEES (CODE 1) AT C5. OTHERS GO TO FILTER AT C10

- C9 **And how has this software helped you to reduce the time you spend dealing with clients' [ADD IF NON-CUSTOMS AGENTS tax obligations; ADD IF CUSTOMS AGENTS customs duties]?** READ OUT CODES 1 TO 5. MULTICODE OK

Reduced the amount of time spent dealing with client queries	1
Reduced the amount of time spent collating information from clients	2
Reduced the time spent checking figures	3
Reduced the time spent on calculations	4
Reduced the time taken to submit information to HMRC	5
Other (please specify)	6
Don't know	7
Refused	8

ASK IF INCREASED FEES (CODE 2) AT C5. OTHERS GO TO FILTER AT C11

- C10 **And why has using this software meant you have had to increase your fees?** READ OUT CODES 1 TO 5. MULTICODE OK

Cost of buying them	1
Cost of maintaining / upgrading them	2
Ongoing license fees	3
Additional costs training people to use them	4
Cost of migrating client information into new systems	5
Other (please specify)	6
Don't know	7
Refused	8

READ OUT IF S3 = CORPORATION TAX

I would now like to ask you some questions about eXtensible Business Reporting Language (XBRL).

ADD IF NECESSARY: XBRL is a process that involves the application of computer-readable tags to business data. It allows this data to be processed automatically by software. Businesses have to file their Company Tax Returns online with accounts and computations in iXBRL format.

- C11 **Which of the following Corporation Tax services does your business provide to your clients?** READ OUT CODES 1 TO 4. MULTICODE OK

Full end-to-end service accounts production, tagging and submission	1
Tagging accounts, computations and submitting the return for the client	2
Using a managed tagging service including those outsourced overseas	3
Preparing accounts and computations – no tagging	4
Other (please specify)	5
Don't know	6

Refused	7
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ASK IF AGENT PROVIDES A TAGGING SERVICE (CODE 1 OR 2) AT C11.

C12 **Does your business use the free HMRC software to generate the XBRL tag or another product?** MULTICODE OK

HMRC software	1
IRIS	2
VT	3
PTP	4
MYOB	5
Sage	6
Keytime	7
Quickbox	8
Another product (specify)	9
Don't know	10
Refused	11

ASK IF (CODES 1 OR 2 OR 3) AT C11. OTHERS GO TO C16.

C13 **Has your business had to change its fees as a result of the requirement to use XBRL?** SINGLE CODE

Yes	1
No	2
Don't know	3
Refused	4

ASK IF HAD CHANGED FEES (CODE 1) AT C13.

C14 **Has it reduced or increased your fees?** SINGLE CODE

Reduced fees	1
Increased fees	2
Don't know	3
Refused	4

ASK IF (CODES 1 OR 2 OR 3) AT C11.

C15 **Has your number of clients changed as the result of the introduction of the XBRL process?** READ OUT CODES 1 TO 3. SINGLE CODE

Increased	1
Decreased	2
No change	3
Don't know	4
Refused	5

ASK ALL

C16 **In your opinion, over the past ten years has there been an increase in the proportion of business clients using computerised systems to deal specifically with their [ADD IF NON-CUSTOMS AGENTS tax obligations; ADD IF CUSTOMS AGENTS customs duties]?** SINGLE CODE

Yes	1
No	2
Don't know	3
Refused	4

- C17 **Thinking specifically about the work that your business clients do to comply with their NON-CUSTOMS AGENTS tax obligations; ADD IF CUSTOMS AGENTS customs duties]. To what extent do you agree or disagree using computerised systems has reduced the administrative burden on businesses?** READ OUT SCALE. SINGLE CODE

Strongly agree	1
Tend to agree	2
Neither agree nor disagree	3
Tend to disagree	4
Strongly disagree	5
Don't know	6
Refused	7

IF DISAGREE (CODE 4 OR 5) AT C17. OTHERS THANK AND CLOSE

- C18 **Why do you think using computerised systems has not reduced the administrative burden on businesses?** DO NOT PROMPT. MULTICODE OK

Additional cost / expense	1
Errors are harder to deal with / trace	2
Additional time taken to learn how to use systems	3
Do not have the necessary knowledge to use the systems	4
Lack of confidence with technology	5
Time consuming	6
It is something that did not need to be done before	7
Tax obligations have become more complex	8
Other (please specify)	9
Don't know	10
Refused	11



Appendix E: Information sheet for businesses

Thank you for your help with this important study which will help HMRC to reduce the administrative cost of compliance, and to make it easier and quicker for businesses to meet their tax obligations.

In the survey, the Ipsos MORI interviewer will ask questions about the time spent by your business fulfilling certain tax obligations for HMRC.

- We are interested in five broad tax areas: **1) Corporation Tax; 2) VAT; 3) Income Tax for Businesses (Self-employment and Partnerships); 4) Customs Duty; 5) Employer Taxes/PAYE.**
- We will ask about specific Tax Obligations that fall under one or two of the tax areas **applicable to your business.**

- We will ask you about the **types of activity** that you have to undertake in order to fulfil your tax obligation, the **time spent on these activities** and the **occupation of the staff** that mainly completes these activities.
- The **activities** will be based around:
 - Gathering, retrieving and assessing relevant figures or information
 - Calculating and preparing figures
 - Preparing written descriptions of data, or submitting information/reports
 - Making settlements or payments
- We are interested in the specific work undertaken to meet tax requirements and **not** in business as usual or additional costs of contacting HMRC when something goes wrong, for example.
- If you use a **tax agent or advisor** you will only be asked about the types of activity you have to do in order to provide information to the agent.
- Lastly, we will ask you about the extent to which you use **computer software packages** to meet your tax obligations.

We look forward to speaking to you. In the meantime, if you have any questions please contact Matthew Colahan at Ipsos MORI on 020 7347 3995.

For more information

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About Ipsos MORI's Social Research Institute

The Social Research Institute works closely with national governments, local public services and the not-for-profit sector, focusing on public service and policy issues. Our 200 social researchers each bring their own expertise in a particular part of the public sector, ensuring we have a detailed understanding of specific sectors and policy challenges. This, combined with our methodological and communications expertise, helps ensure that our research makes a difference for decision-makers and communities.