

Making Tax Digital

An introduction

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Background to MTD

- Introduced during 2015 Spring Budget
- Part of “Making Tax Easier” initiative
- Modernisation of Tax system
- All tax returns to be digital
- VAT first inline

Timeline

- 1 April 2019
- 1 October 2019 for businesses with complex requirements
- 1 April 2020 for digital link

Impact on business

- Manual to Digital records
- Need to sign up for MTD
- Digital Link

Compliant Software

- Records kept in specified format
- Need to be kept for 6 years
- VAT info submitted by the software
- Financial records must be linked digitally – mandatory from 1st April 2020

Digital Link

- All records must be digitally linked
- Linking cell on Excel acceptable
- Manual re-input not compliant unless digital link not possible

Record Keeping

- Specified format
- MTD compliant software
- Excel records need most attention

MTD Steps

- Check if software MTD compliant
- Identify suitable alternative
- Bridging Software
- Sign up for MTD – be mindful of timing*

**5 working days after last non-MTD & 15 working days before first MTD VAT submission*

Penalties

- Deadlines are the same
- 1st April 2020 onwards for digital link
- Otherwise same penalty regime

Q&A Session



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Please get in touch to arrange an initial complimentary meeting.