



BREBNEERS

CHARTERED ACCOUNTANTS
& BUSINESS ADVISERS

MAKING TAX DIGITAL FOR VAT (MTDfV)

What is Making Tax Digital?

You may have heard about the Government's plans to change the way we manage our taxes. Making Tax Digital is being rolled out gradually by HMRC, starting in April 2019, for businesses which are VAT registered and have a turnover above the VAT threshold (currently £85,000). The aim is to make the whole process of administering tax more simple and efficient.

What does this mean for you?

Qualifying businesses will be required to keep digital records and submit their VAT returns to HMRC via MTD compatible software for the first VAT period starting on or after 1st April 2019.

This means no more manual books or spreadsheets - you will need to make the move to digital accounting. If you're not already using accounting software, now is the time to switch!

The key requirements are:

- To keep transaction-level records digitally; and
- To use MTD compatible software to submit the return to HMRC.

In addition, you will also require a Government Gateway account which is necessary for your VAT submission. If you don't already have an account, now is the time to set one up. You will also have to add us as agent if we submit your VAT return.

What do I have to do?

If you use Excel spreadsheets or are not using the most recent version of your accounting software then you have several options as follows:

- Upgrade your current accounting software to the most recent version;
- Change to a different software provider;
- Outsource your accounting function.

You can continue to use Excel spreadsheets however to submit the VAT return to HMRC you will have to use bridging software.

Our advice in this situation would be to make the move to accounting software.

How can we help?

We have been liaising with the various software providers to ensure that the software that we use in-house is MTD compatible.

If we look after your accounting records in-house and file your VAT returns for you, we will ensure that you are on the most recent software.

We have specialist teams trained in Sage, Xero, QuickBooks and Kashflow who can help you make the transition to digital accounting as straightforward as possible. We also have experience of many other accounting packages.

If you are interested in looking at a new way of keeping your records then we would be delighted to discuss this with you as well as assisting you with setting up your Government Gateway account.