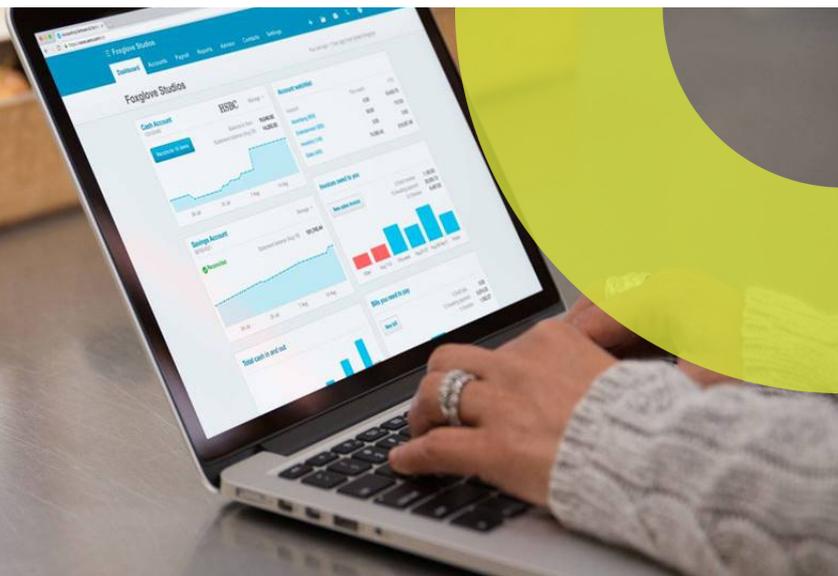




Making Tax Digital



From April 2019, businesses with a taxable turnover above the VAT threshold of £85,000 are required to file their VAT returns electronically using accounting software, and are obligated to keep digital records of their transactions.

Manual submissions through the HMRC online services for VAT will no longer be accepted for most businesses.

There are a small number of businesses that are deferred to 1 October 2019 (see deferment list below), but HMRC have written to all those businesses to confirm. If you have not received a letter and are affected by the deferment then you will need to contact the HMRC Helpline on 0300 200 3700.

Penalties

HMRC will impose penalties on any businesses that do not sign up for Making Tax Digital when mandated to do so, either VAT periods starting on or after 1 April 2019 or the deferment group 1 October 2019. HMRC have written to all clients in the deferment group if you have not received a letter then you will need to contact the HMRC Helpline. The soft landing only applies to full digital links which comes in from 1 April 2020.

What you need to do

The changes to filing your VAT returns start from periods starting on or after 1 April 2019, therefore the first returns affected are monthly returns ending 30 April 2019 or quarterly returns ending 30 June 2019.

You will have to sign up for Making Tax Digital after you have filed your last VAT returns under the government gateway (e.g 31 March 2019, 30 April 2019 or 31 May 2019). This needs to be done after 14th of the month following the submission of your last VAT return and 15 days before the VAT has to be submitted under Making Tax Digital. Please use the following link to sign up with HMRC:

<https://www.tax.service.gov.uk/vat-through-software/sign-up/have-software>

Upon signing up you will then receive a confirmation email and after 72 hours you will then need to turn on the making tax digital module within your accounting software, some of which are listed here.

“ If your software is not Making Tax Digital compliant then please contact us as we have our own API (Bridging software). ”



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If your accounting software is not listed below, we advise you to contact your software provider for more information.

Sage Desktop Activate MTD Pilot Module

You will need to be on version 24.2 or above (if not then you will need to upgrade, please contact us for further details).

[Please click here.](#)

Sage Business Cloud Activate MTD Pilot Module

[Please click here.](#)

Xero Activate MTD Pilot Module

[Please click here.](#)

Quickbooks Activate MTD Pilot Module

[Please click here.](#)

Businesses Deferred to 1 October 2019

- Trusts
- "Not for Profit" organisations that are not set up as a company
- VAT Divisions
- VAT Groups
- Public Sector entities
- Local Authorities
- Public Corporations
- Traders based overseas
- Those who make Payments on Account
- Annual Accounting Scheme Users

Please note, you are only deferred if you have received a letter from HMRC. If you have not received this letter please get in touch with HMRC to confirm.

Contact us

We have been working closely with HMRC and major software developers to discuss how we can make this easier for our clients, ensuring we have the solutions in place to make this transition as smoothly as possible for you.

We are already assisting many clients preparing and implementing systems to get them ready for the transition to Making Tax Digital.

Contact a member of our Making Tax Digital team today to see how we can assist you.

www.broomfield.co.uk

Cardiff

Ty Derw, Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

☎ 02920 549939
🐦 @BroomfieldWales

Newport

Waters Lane Chambers
1-3 Waters Lane
Newport
NP20 1LA

☎ 01633 265828
🐦 @BANewportMon

Swansea

Charter Court
Phoenix Way
Enterprise Park
Swansea, SA7 9FS

☎ 01792 790444
🐦 @BA_Swansea

Monmouth

6 Agincourt Street
Monmouth
NP25 3DZ

☎ 01600 712171
🐦 @BANewportMon

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