



What is MTD - a reminder?

A government initiative to revolutionise the current tax system, making it more effective, efficient and simpler for tax payers. With a phased implementation, initially this is being rolled out by HM Revenue & Customs (HMRC) in the form of MTD Quarterly Reporting for **VAT**.

Who is impacted by MTD Quarterly Reporting and when?

All VAT registered businesses, self-employed and landlords with taxable turnover over the VAT threshold (currently £85,000) must maintain data digitally and be able to submit VAT returns direct to HMRC from **1 April 2019**.

What does this mean?

Currently most businesses submit the 9 boxes of their VAT return through the online government portal (the Government Gateway website). From 1 April 2019, impacted businesses require a direct link via **MTD compatible software** to HMRC to be able to submit the VAT return data.

Do I need to upgrade my accounting software?

If your accounting records are currently maintained on a cloud based accounting software (for example, Xero), it is likely your software will already be capable of submitting your VAT return directly from the software to HMRC.

For those with accounting records maintained in non-cloud based accounting software or in spreadsheet format (for example, Excel) it is likely for commercial reasons that software providers will upgrade their software so that it is MTD compatible. Alternatively, an add-on will likely be required in the form of a bridging software to enable the VAT return data to be transferred direct to HMRC.

HMRC is due to publish a list of MTD compatible software which we eagerly await.

What can we do for you?

We are working with HMRC and software providers to seek solutions, including partaking in a MTD pilot on a selection of our clients. We anticipate where a business currently maintains data in non MTD compatible software, there will be a **bridging software** solution in time for the April 2019 reporting requirements.

Where we maintain your day to day accounting records and/or submit your VAT returns on your behalf, we will be in touch as and when we have further information from HMRC to offer up solutions.

If we do not look after your VAT reporting but you require assistance, please contact your **Rawlinson & Hunter** contact to discuss further.



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