

NATIONWIDE ACCOUNTANTS & TAX ADVISORS LIMITED

The key facts

WHAT IS MTD?

The requirement to keep digital financial records and file VAT returns via 'functional compatible software'. VAT return submissions via the HMRC gateway will no longer be possible.

WHEN DOES IT TAKE EFFECT?

For the majority of affected organisations, MTD comes into effect for VAT on 1 April 2019.

For a small number of organisations, including unincorporated charities, larger companies and public bodies, MTD compliance does not take effect until October 2019. The implementation of other taxes will be phased in from April 2020 at the earliest.

WHAT DOES IT AFFECT?

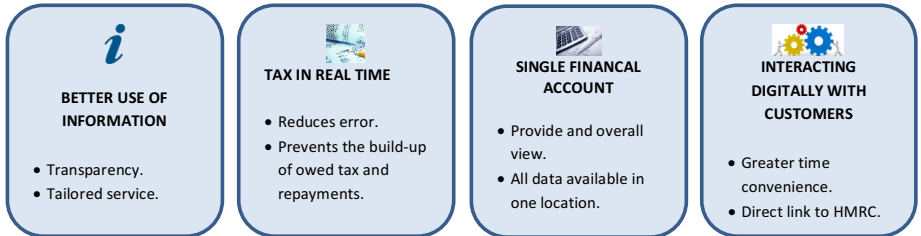
Any organisation with taxable turnover above the VAT threshold of £85,000.

WHAT HAPPENS TO ORGANIZATIONS WHO DO NOT COMPLY?

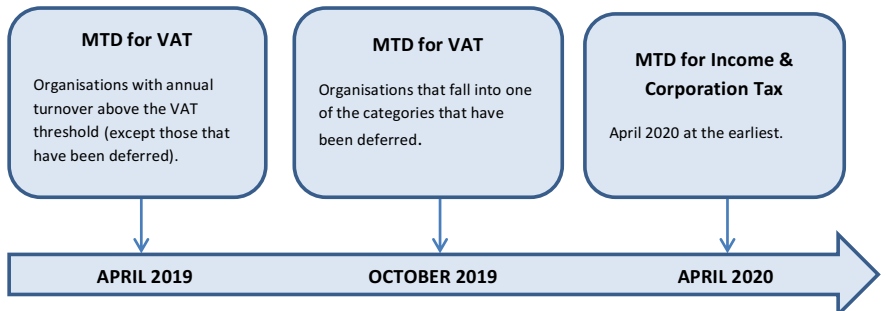
A point based penalty system based on late filing and number of errors will be introduced.

WHAT TO EXPECT?

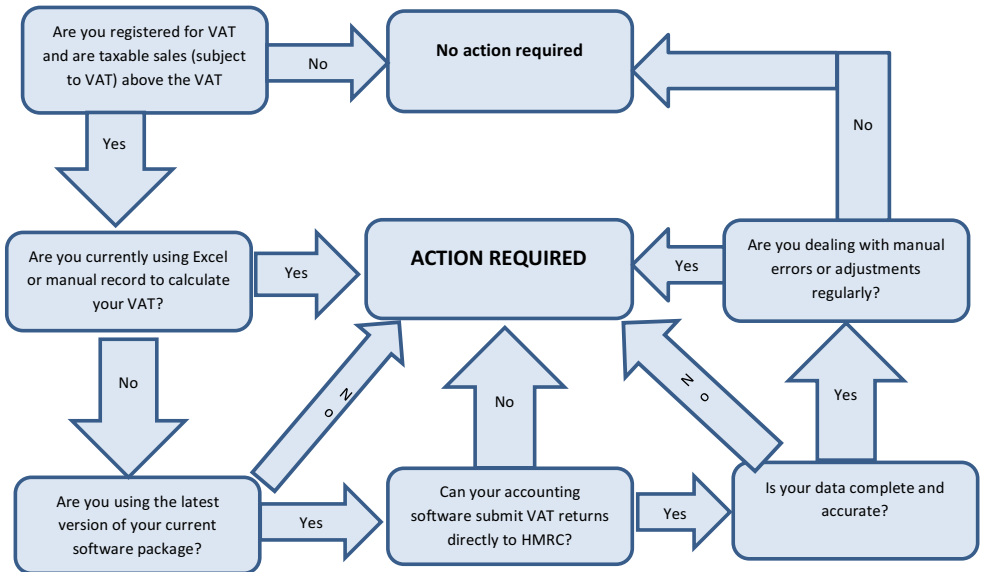
The HMRC has summarised MTD by breaking it down into four sections known as the Four Foundations:



MTD TIMELINE



IS MY ORGANIZATION PREPARED FOR MTD?



IS OUR ACCOUNTING SYSTEMS MTD COMPLIANT?

System review

- How many financial systems are operated?
- Can your current software ;
 - Record and preserve records in electronic form?
 - Digitally link your VAT reports from source system(s) to the VAT return workings?
 - Provide VA return information to HMRC in electronic form via an application programme interface (API)?
- Do you need a bespoke solution using an API –enables spreadsheet or bridging software to ensure the required digital links?

ARE OUR VAT PROCESSES AND HOW WE HOLD OUR FINANCIAL RECORDS MTD COMPLIANT?

VAT technical health check

Review your current VAT management and processes to identify errors and how to avoid these in future.

- Are your records held digitally in your organisation?
- What reports are used to compile the VAT return?