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Dec

# Making Tax Digital (MTD)

## What you need to know

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PRECISE. PROVEN. PERFORMANCE.

# 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.



## Who does it affect?

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

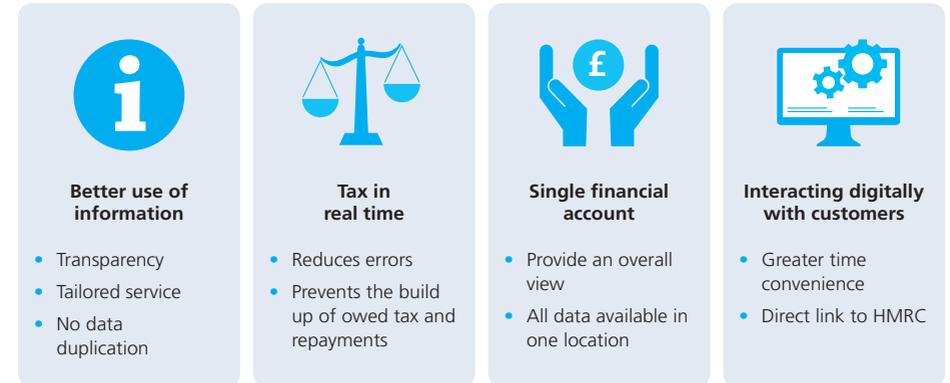


## What happens to organisations who do not comply?

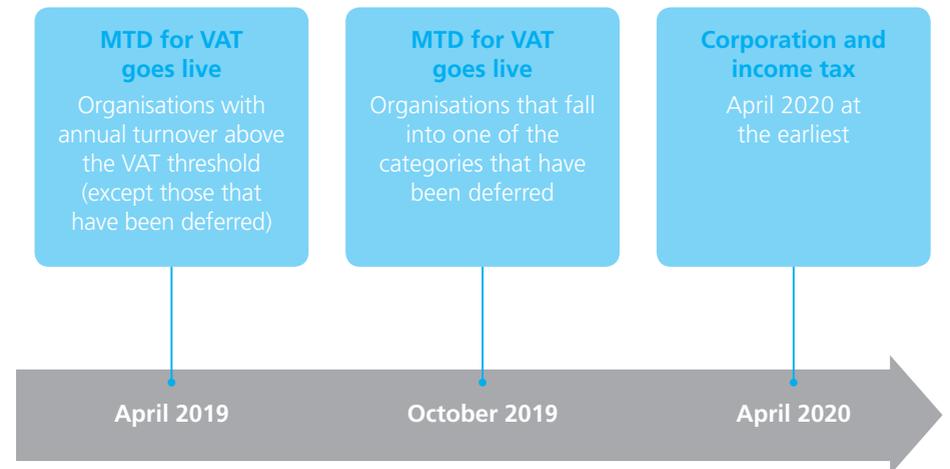
A points based penalty system based on late filing and number of errors will be introduced.

# What to expect

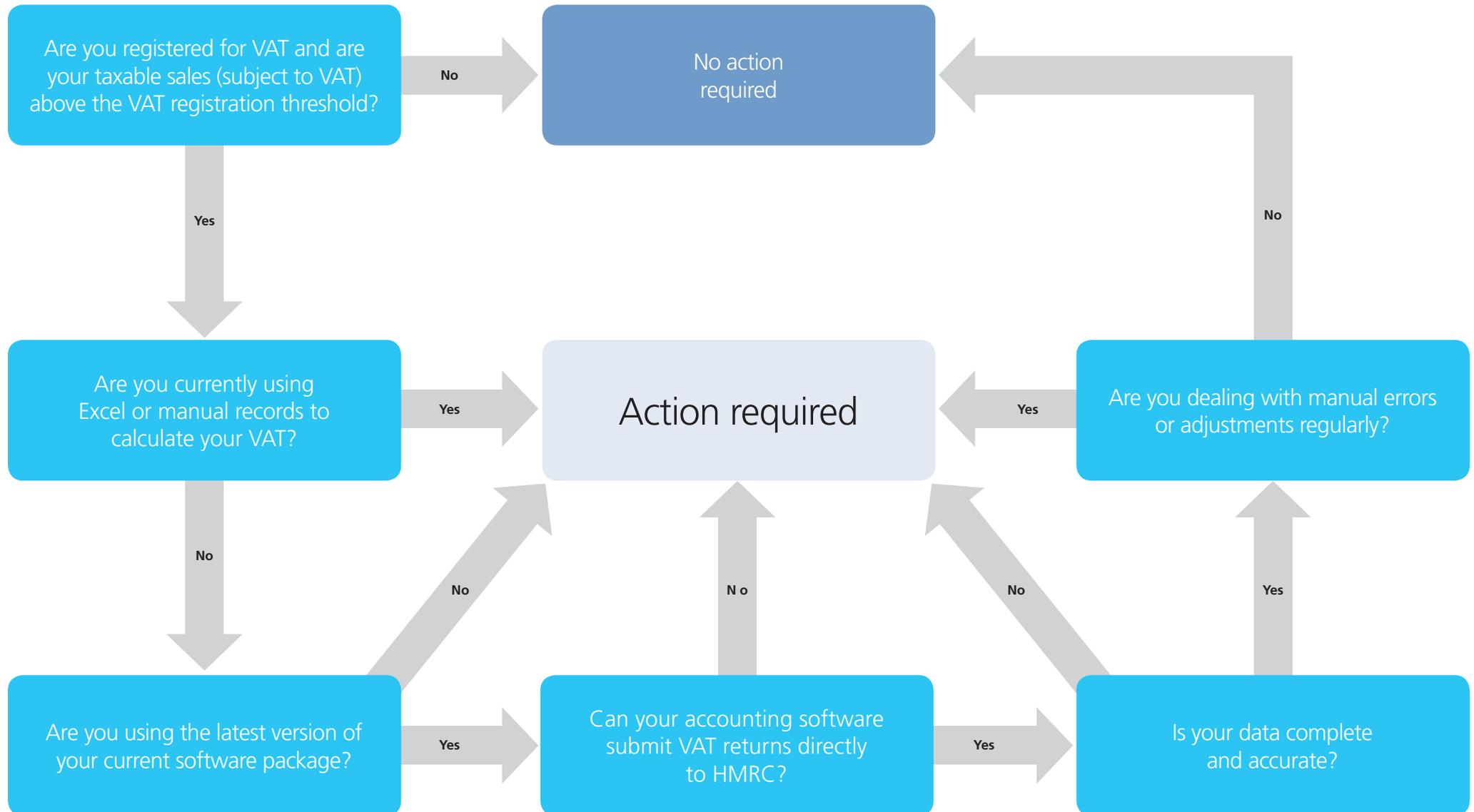
The HMRC has summarised MTD by breaking it down into four sections known as the Four Foundations:



# MTD timeline



# Is my organisation prepared for MTD?



## Is our accounting system MTD compliant?



### Systems review

Review your current systems - are they MTD compliant?

- 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 VAT return information to HMRC in electronic form via an application programme interface (API)?
- Do you need a bespoke solution using an API-enabled 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?

## Moore Stephens' solutions



### Systems review

A free one hour review of your current software – is it MTD compliant? We'll suggest the best solution to ensure you use compliant software.



### Cloud accounting

We provide cloud accounting solutions to optimise and integrate your business operations.



### VAT technical health check

A review of your current VAT management and processes. Seeks to find errors and suggest improvements.



### VAT data analytics

A review of your VAT data – is it accurate and complete? We'll ensure your calculations and data are accurate.

## About Moore Stephens

We help you thrive in a changing world.

We provide all the support and guidance you need to deal with new risks and opportunities.

We ensure easy access to the right people, so decisions can be made quickly and confidently. A consistent team will partner with you to support your aspirations and contribute to your success.

You'll have access to a range of core services, including audit, accounting, tax, risk and systems assurance, corporate finance, restructuring and insolvency, wealth management and disputes analysis. As a Top 10 accounting and advisory network we support a broad range of individuals and entrepreneurs, large organisations and complex international businesses.

If your business and personal interactions need to expand, we'll help make it happen – coordinating advice from a network of offices throughout the UK and in more than 100 countries.

## Moore Stephens globally

Moore Stephens International is a top ten global accountancy and consulting network, headquartered in London.

With fees of over US\$2.9 billion and offices in 112 countries, clients have access to the resources and capabilities to meet their global needs.

## Contact information

If you would like further information on any item within this brochure please contact us.



**Terri Bruce – Associate Director**  
[terri.bruce@moorestephens.com](mailto:terri.bruce@moorestephens.com)



**Clare Hawthorn – Associate Director**  
[clare.hawthorn@moorestephens.com](mailto:clare.hawthorn@moorestephens.com)



**Mark Macklin – Associate Manager**  
[mark.macklin@moorestephens.com](mailto:mark.macklin@moorestephens.com)



**Mustafa Sikandary – Associate Director**  
[mustafa.sikandary@moorestephens.com](mailto:mustafa.sikandary@moorestephens.com)

Moore Stephens LLP  
150 Aldersgate Street  
London EC1A 4AB  
T +44 (0)20 7334 9191  
[www.moorestephens.co.uk](http://www.moorestephens.co.uk)

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