



Making Tax Digital Guide

How to prepare your accountancy firm for Making Tax Digital

www.pandle.co.uk

Making Tax Digital is an initiative created by HMRC to create a simpler, more effective and efficient tax system.

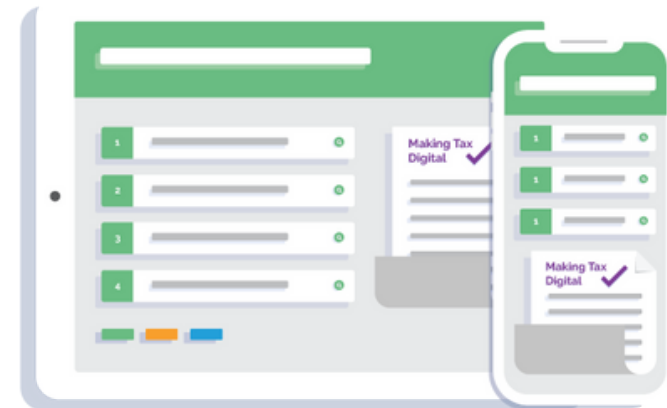
Introduction

As you no doubt have already heard, Making Tax Digital (MTD) has promised major changes to the world of accounting and bookkeeping.

Whatever your opinion on the changes, it's going to mean a lot of upheaval for many people, both clients and accountants.

In this guide, we'll cover:

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What is MTD?

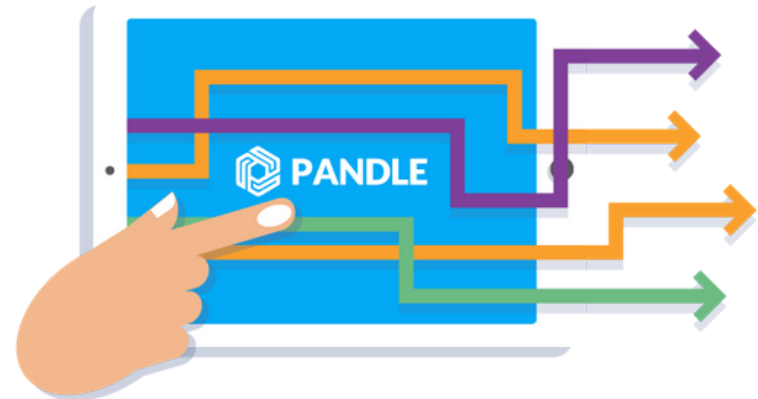
MTD is a government initiative that will change the way businesses submit their returns (Self Assessment Tax Return, VAT Return and Corporation Tax Return)

Instead of the annual tax return, businesses will have to submit their figures every quarter using online accounting software.

This will not mean submitting four tax returns per year. Instead, your clients will be regularly managing their finances and will simply need to check the information HMRC are receiving is correct.

While plenty of your clients won't be a fan of these quarterly submissions, the upside is that by regularly managing their finances, your clients can avoid any nasty surprises like bigger tax bills than they were expecting.

Clients will also be able to get a real-time view of their finances which will lead to more accurate tax predictions.



What does MTD for VAT mean for you and your clients?

MTD for VAT is just the first round of changes in the MTD initiative.

For now, it means that from April 2019 onwards your clients who are VAT registered will need to file their quarterly VAT returns using HMRC recognised software.

However, spreadsheets will still be eligible as an alternative for the following twelve-month soft-landing period. During this time, "bridging software" will also allow data to be sent digitally from spreadsheets into the HMRC portal, without the need for any manual data entry.

Smaller businesses under the VAT threshold can relax for now, but MTD will be rolled out to everyone eventually for the submission of their annual tax returns.

With that in mind, we would recommend that you begin getting all of your clients prepared while they still have plenty of the time to embrace digital record keeping.



How to prepare your accountancy firm for MTD for VAT

If you haven't already begun your MTD for VAT preparation, now is certainly the time to do so. Here is our three step plan for preparing your accountancy firm for MTD for VAT:

- 1** Determine which of your clients will fall under MTD for VAT
- 2** Ensure your clients are aware of the changes and how they need to prepare
- 3** Add these clients to your agent services account and subscribe them to MTD

To do this, you'll need the client's VAT number, Company Registration Number and their National Insurance Number. However, you should only add these clients to your agent services account and subscribe them to MTD once you're ready to file through MTD yourself.

How to prepare your clients for MTD for VAT

Plenty of your clients will already be aware, but there are still a fair amount of businesses out there that don't know what's expected of them. Your clients should be aware of these major changes:



They will need to submit quarterly returns online from 1st April 2019



Their returns must be filed using some form of software that is MTD ready

If you haven't yet informed your clients of these changes, or would like to send them a reminder, we have created a guide on [Preparing your small business for MTD](#), which you are welcome to send to them!

Sometimes things like tax changes aren't at the forefront of a business owner's mind, so reminders can help make transition easier for both of you.

How to make the change to MTD as smooth as possible

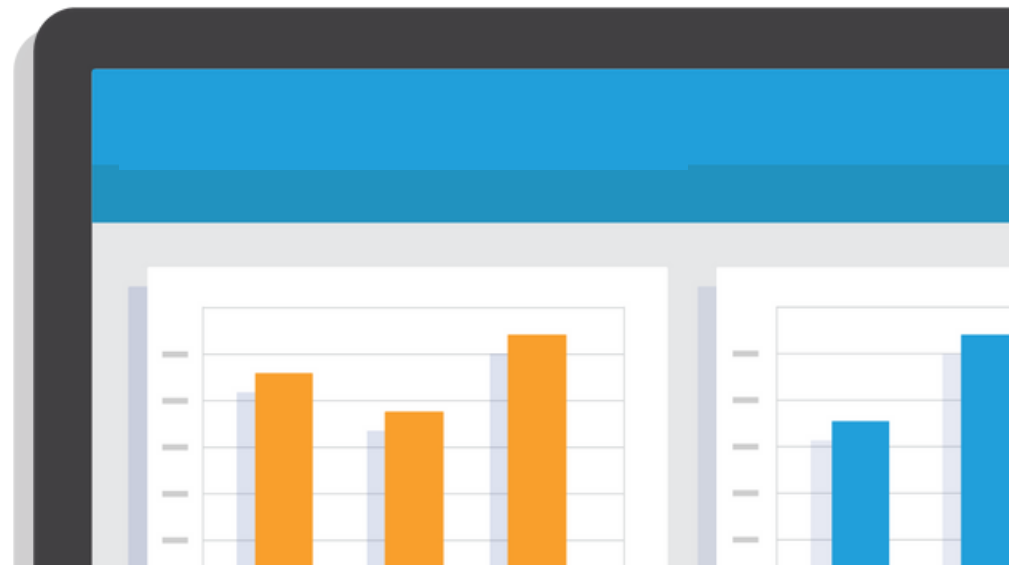
We would recommend that you help your clients make the move to accounting software soon, if they haven't already.

Although many of your clients may fall under the VAT threshold and not have to switch to MTD yet, we would still recommend you encourage them to start preparing for this eventuality.

From April 2020 (at the earliest) all businesses will be required to keep digital records and make quarterly submissions for income and corporation tax, replacing the annual tax return. Exact dates and details of this are yet to be confirmed by HMRC.

Encouraging your clients to adopt accounting software now will:

- Give them time to get used to the software and begin using it effectively
- Mean fewer potential problems when the final MTD deadline for annual tax returns comes around



We've been hard at work this year getting Pandle ready for Making Tax Digital. You can now find us on [this list](#) of HMRC recognised software suppliers supporting MTD for VAT.

How Pandle can help

Ideal for those who need to start preparing for MTD, Pandle has been developed with the needs of small businesses and accountants in mind.

Our software is designed to be simple and easy to use, which is particularly important for those clients you have who are a bit anxious or hesitant to go digital – our simple approach to bookkeeping makes the learning curve much easier.

Error reduction

We aim to reduce the amount of errors in your clients bookkeeping records, making your life a little easier. Through our intuitive machine learning algorithms Pandle warns users if they are inputting data that has a low probability of being correct, helping them to consider if their entry is accurate or not.

Fewer errors gives users less to worry about, particularly if they're already worried about getting used to a brand new way of submitting returns.



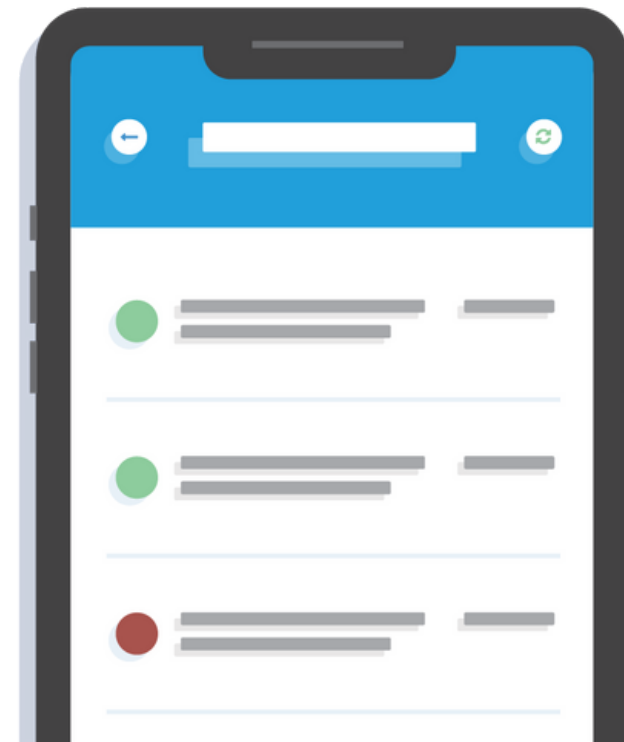
Mobile friendly

Our intuitive mobile app truly makes Pandle accessible from anywhere in the world – something increasingly important for the modern business owner.

This helps to encourage up-to date record keeping and a more hands-on approach to bookkeeping – something that will save you time and effort to fix any issues further down the line.

Choosing a software partner which is simple and easy to use, employs a range of error prevention measures and comes equipped with a mobile app will help your clients get used to Making Tax Digital in a way that's easier for everyone.

You can download the Pandle Mobile app using the links below:



Partnering with us

If this all sounds like something which would help your accountancy firm and your clients prepare for MTD, we would love to become your partner.

Pandle will help make the whole MTD process as seamless and stress-free as possible, so you and your clients can get ready well before the deadline.

For more information about partnering with us please [click here](#) and tell us about your accountancy firm, so we can tailor a partnering package which perfectly meets your needs.

[Tell Us About Your Accountancy Firm](#)

If you have any questions or would like to speak with one of our advisors, you can contact us via sales@pandle.co.uk.

We look forward to welcoming you and your clients to Pandle!

