

BUSINESS ADVICE: DIGITAL TAX

GROWTH

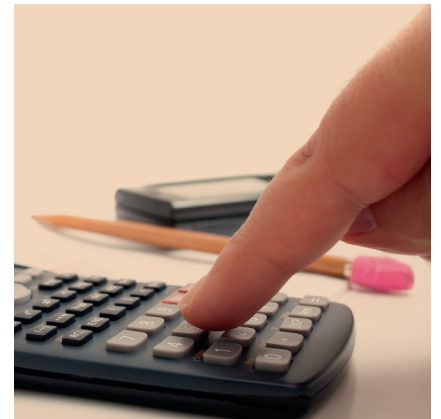
FOUR QUICK WINS

HMRC's onward march towards full digitisation, means that come April 2019, practices will have to deal with a brand new VAT reporting process. Compliance will be mandatory and will involve significant changes to how practices record and report their commercial activities.

This means that by the end of March 2019, some one million UK businesses will need to have prepared for what many consider to be the biggest change for years in how they deal with HMRC. (Despite what some may think, this has nothing to do with Brexit.)

The changes, which will affect every single transaction a business makes, come from what HMRC calls Making Tax Digital (MTD). While HMRC has decided this approach is the answer to everyone's tax problems, the reality for many businesses is that life will become more complex.

But there are things you can do to make the process easier. Here are four 'quick wins' to help you take the right action now:



1. Speak to an accountant and take advice as to how MTD will affect the practice.
2. Contact a accounts package supplier to understand how they will implement MTD.
3. If an exemption is possible for your business, plan ahead for it now.
4. Ensure practice records meet HMRC's new requirements.

MORE INFORMATION

HMRC's MTD VAT notice:

www.gov.uk/government/publications/vat-notice-70022-making-tax-digital-for-vat

New record keeping requirements:

www.icaew.com/technical/tax/making-tax-digital/mtd-guidance/mtd-and-vat