

Making Tax Digital Email Communications

2018

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Email Communications

15th May 2018 – What You Should Know About Making Tax Digital and How You Can Help Us

Dear Customer,

We would like to let you know that we'll be making some changes to Ibcos Gold that should make it easier for you to submit your VAT returns to HMRC electronically, as mandated by the upcoming Making Tax Digital (MTD) government initiative.

We also need your help so please can you answer a few quick questions for us in [this survey](#).

What We Know About MTD

As you are probably already aware, MTD is the government's initiative to make it possible for businesses to manage their tax affairs digitally.

In April of 2019, as part of this initiative, businesses with a turnover above the VAT threshold will have to start using MTD-compatible software to keep digital records and electronically submit their VAT returns to HMRC.

MTD is a two-phase initiative, with the second phase involving corporation tax, but that won't start until April of 2020. As a result, we're primarily concerned with VAT returns for now.

To get more details on how MTD will affect your business and what actions you should take, be sure to [check out these HMRC and government webpages](#).

What We're Doing to Make Your Life Easier

We're currently working in conjunction with HMRC on ensuring Ibcos Gold meets the legislative requirements of the MTD initiative. Those changes will be implemented in future releases of Gold v7 as well as v6.4.

We'll provide you with more details as we learn them over the course of this project!

Help Us Out

As mentioned above, we'd like your input on this matter, so please take one minute to answer a few quick questions.

[Take Survey Now >>](#)

Kind regards,

The Ibcos Team

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24th July 2018 – How Making Tax Digital Will Impact Ibcos Gold

Dear Customer,

In May, we said that we would be making some changes to Ibcos Gold as a result of the UK government initiative known as Making Tax Digital (MTD). From April 2019, all UK VAT registered businesses will have to maintain digital records and electronically submit their VAT returns to HMRC. For each individual company in Gold with its own unique VAT registration number, there will be an inbuilt link to submit VAT Returns to HMRC. This is phase one of a two-phase process. The second phase, involving corporation tax, won't start until April 2020. As a result, we are currently focusing on phase one.

What changes will be made to Gold?

For our v7.14 release, available in August, we are providing a VAT Health Check feature. There are specific criteria for the new VAT Return. This feature will help you ensure that your source data is correct and it is being made available well in advance of the MTD deadlines to give you ample time to address your company set-up before your first online submission.

The VAT Health Check looks at 9 key areas, including the Company Control File, VAT

Rates, standard journals, customer and supplier accounts. The VAT Health Check will highlight anything that might need to be checked. A factsheet has been produced to give full information on the VAT Health Check, this is available on the Ibcos website via [this link](#).

Later this year, we plan to make the new VAT Return electronic submission available in v7 and v6.4. You will then be able to electronically submit the VAT Return to HMRC. We'll provide you with more details closer to that time.

Third-party software

If your business operates multiple companies with the same VAT registration number or multiple accounting systems, third-party software will be required to consolidate the values together for submission. HMRC will be publishing a list of products that can be used.

The changes made to Gold will not apply to cash accounting systems. If your business operates under cash accounting rules, you will need to submit your return outside of Gold using third-party software.

What do you need to do?

The first task after loading the v7.14 update will be to check all VAT Rates as a new flag has been added to specify the type of Zero or Exempt VAT, such as EU Sales/Purchase. This will ensure all transactions are reported correctly on the VAT Return.

Then the VAT Health Check should be run to identify any other areas that may need to be checked and corrected. This should be done as soon as possible in order to ensure your company is ready for VAT Return processing.

Internal processes will also need to be examined. For example, it will be necessary to close the nominal month end for the period before a VAT return can be finalised and submitted. This could also have a significant impact on year-end processes.

We will provide more information on system changes at a later time. We will also be running a series of webinars later in the year to show you the process changes and how they might affect your business.

VAT payment deadlines

The HMRC standard deadline for payment of VAT is one month and seven days after the end of the VAT period. More information on deadlines is available [right here](#).

In practice, the VAT return for the period of April 1st 2019 to June 30th 2019 is due for payment by August 7th 2019. This deadline may have an impact on your current monthly and year-end accounting procedures.

Need more details?

To get more information on how MTD will affect your business and what actions you should take, be sure to [check out these HMRC and government webpages](#).

Kind regards,

The Ibcos Team

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7th November 2018 – Getting Ready For Making Tax Digital

Dear Customer,

This email is business critical - If you are not directly involved with the finance department, please ensure you pass this email on to the relevant person.

In July we issued a communication to remind you that we would be making some changes to Ibcos Gold as a result of the UK government initiative known as Making Tax Digital (MTD). From April 2019, all UK VAT registered businesses will have to maintain digital records and electronically submit their VAT returns to HMRC. For each individual company in Gold with its own unique VAT registration number, there will be an inbuilt link to submit VAT Returns to HMRC. This is phase one of a two-phase process. The second phase, involving corporation tax, won't start until April 2020. As a result, we are currently focusing

on phase one.

What changes will be made to Gold?

We have created a VAT Health Check feature which has been released in v7.14. This feature was designed to help make your digital tax return submissions easier by ensuring that your source data is correct and available well in advance of the MTD deadlines - providing you ample time to address your company set-up before your first online submission.

Based on feedback from dealers using the VAT Health Check, we have made improvements to this feature in v7.15 – making it even easier for you to ensure all your data is correct.

For a list of what improvements were made, follow this [link](#).

We currently have some dealers testing the new Digital VAT Return feature in v7.15 in parallel to their existing VAT Return process. The aim is to get valuable feedback on the system giving us the opportunity to make any changes or improvements before the HMRC make the process mandatory in April 2019. The Digital VAT Return will be available to customers on v7 in quarter 1 of 2019 (Q1), simply by installing the latest release.

For v6.4 customers, the VAT Health Check and Digital VAT Return will be available within a new chargeable module and you will need to install v6.5. More details will be issued in the near future. The VAT Health Check will be released first, by the end of 2018. A subsequent release will be made in Q1 2019, containing the Digital VAT return. Alternatively, you could move to v7, where the functionality is available as a standard feature.

VAT payment deadlines

The HMRC standard deadline for payment of VAT is one month and seven days after the end of the VAT period. More information on deadlines is available [right here](#).

In practice, the VAT return for the period of April 1st 2019 to June 30th 2019 is due for payment by August 7th 2019. This deadline may have an impact on your current monthly

and year-end accounting procedures.

The Making Tax Digital rules apply from your first VAT period starting on or after 1st April 2019. A 'VAT period' is the inclusive dates covered by your VAT return. This topic will be covered in the webinars in further detail.

What do you need to do?

Now is the time to carry out your VAT Health Check and take the necessary steps to ensure your source data is accurate and your suppliers & customers have been set up in the system correctly.

Gold now provides additional VAT types so that transactions can be correctly identified as Vatable, Exempt, Zero rated, EU or Non-EU Sales and Purchases. It is important that these are set up in your system so that the transactions are correctly reported on the VAT Return.

Internal processes will also need to be examined. For example, it will be necessary to close the nominal month end for the period before a VAT return can be finalised and submitted. This could also have a significant impact on year-end processes.

How can we help you?

In addition to the fact sheets contained within the website and the communications we have already sent, we will be hosting 3 webinar sessions:

- What is MTD? (General Overview)
- VAT Health Check
- VAT Return

These webinars will be your opportunity to learn all you need to before the go live of MTD. Dates of these webinars will be sent out soon, but we aim to complete them all by the end of the year. Look out for the FAQ's page which will be on our website soon.

Need more details?

To get more information on how MTD will affect your business and what actions you should take, be sure to [check out these HMRC and government webpages](#).

Kind regards,

The Ibcos Team

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