What is Making Tax Digital (MTD) for VAT?

MTD is a scheme that VAT registered businesses need to sign up to, to submit returns digitally using recognised, compliant, software; rather than manually populating the nine boxes.

Is Prime ready for Making Tax Digital (MTD) for VAT?

Our Autumn 2018 release of 7.5 is compliant with HMRC's requisite; any build of 7.5.15 or above will be able to submit appropriately.

How do I make sure that Prime is set up correctly?

The VAT number must be correctly entered in KeyPrime. There can only be numbers, spaces are allowed but no dashes, dots or other special characters.

Do I have to sign up to MTD for VAT?

A VAT registered business with a VAT turnover over the threshold (currently £85,000) is required by HMRC to sign up to the MTD scheme in April 2019; if the business is under the threshold, then sign up is voluntary until April 2020 and then thereafter, it will be mandatory. A delayed sign up, for some businesses such as Trusts, is possible to 1st October 2019; for information or confirmation please view https://www.gov.uk/guidance/check-when-a-business-must-follow-the-rules-for-making-tax-digital-for-vat.

How do I register for MTD and things to be aware of?

Go into the HMRC Gateway Portal via the web browser; from there, there will be a link to sign up to the MTD scheme.

HMRC will do certain credential checks on the VAT business and should eligibility be met, including confirming the Gateway sign-in information, a further

requirement of agreeing to email communications. An email will be generated from HMRC to confirm the email account; this is a time sensitive link.

HMRC will not accept the VAT business if there is more than one VAT return to be filed.

HMRC will not accept the VAT business if there is money owing to, or from, either party; i.e. there must be a zero balance between the two entities.

HMRC will require time to migrate the VAT data from one database to a different one, to enable MTD submissions; allow time for this (currently 72 hours).

Do I need to do anything with the software?

So long as the build version (visible in the bottom right-hand corner of the Launchpad) states v7.5.17 or higher, then MTD submission will be possible. If the build version is 7.0.21 or lower, please contact Landmark Support.

What do I do about partial exemption?

A partial exemption journal has been authorised by HMRC.

How do I submit an MTD VAT return in KeyPrime?

Calculation of the VAT return is done in the same way. Checking the figures is advised by the detailed and/or summary reports that are still available. Once the nine boxes are ready for submission, select Confirmation. Prime will then display a word logo and a cloud. For MTD submissions, please select the cloud.

The user will be asked to confirm that the VAT business has signed up to the MTD scheme.

On the first submission, HMRC will require confirmation that Prime is allowed to submit the nine boxes via an authorisation process.   Thereafter, by selecting the cloud button, submission will be immediate.

This authorisation process will need to be reconfirmed every 18 months.

Once signed up to the MTD scheme, VAT submissions will not be permissible unless via the MTD route.

How do I know the submission has worked?

Once the submission has successfully completed, a unique reference number is obtained from HMRC. This number will be visible on the screen when confirmation is made, and it is printable at this time; the location on the PDF is at the bottom of the screen.

Once confirmed and submitted, the figures will not be able to be amended.

I have two Companies that share the same VAT number, is MTD feasible?

Yes. A decision would need to be made as to which company would be the submission company, and which the subsidiary company.

The subsidiary company would need to complete their return first and setup would then enable the primary company to digitally combine the figures for submission to HMRC. Currently, the requirement is that these companies must be in the same database.