



MAKING TAX DIGITAL SIGN-UP GUIDE

Please find enclosed instructions and guidance which we have compiled in order to assist you with becoming MTD compliant.

Prior to initiating the sign-up process, it is vitally important that you review the timetable listed below in order to ensure you sign-up at the correct time and avoid potential delays with the submission of your first MTD compliant VAT return.

This pack includes guidance on how to sign up using your Government Gateway account and how to authorise your software in order to become MTD compliant.

	Pages
MTD Sign-up Timing	3
Sign-up with HMRC for ‘Making Tax Digital for VAT’	4
Authenticate your MTD compliant software with HMRC	16
Xero.....	17
Sage 50Cloud (Desktop)	23
Sage Business Cloud.....	28
QuickBooks Online.....	29
FreeAgent.....	30
QuickBooks (Desktop).....	31
Farmplan / Promar	32

For solutions which are not listed above, please contact your software provider.

MTD Sign-up Timing

It is important to note that businesses which currently pay VAT by Direct Debit cannot sign up for MTD the 7 working days leading up to, or the 5 working days after their 'old style' VAT Return is due.

Monthly VAT returns paid by direct debit:

FIRST MTD FOR VAT RETURN	SIGN UP PERIOD STARTS	SIGN UP PERIOD ENDS
April 2019	15 May 2019	31 May 2019

Quarterly VAT returns paid direct debit:

FIRST MTD FOR VAT RETURN	SIGN UP PERIOD STARTS	SIGN UP PERIOD END
Apr/May/June 2019	15 May 2019	31 July 2019
May/June/July 2019	15 June 2019	30 August 2019
June/July/Aug 2019	13 July 2019	27 September 2019

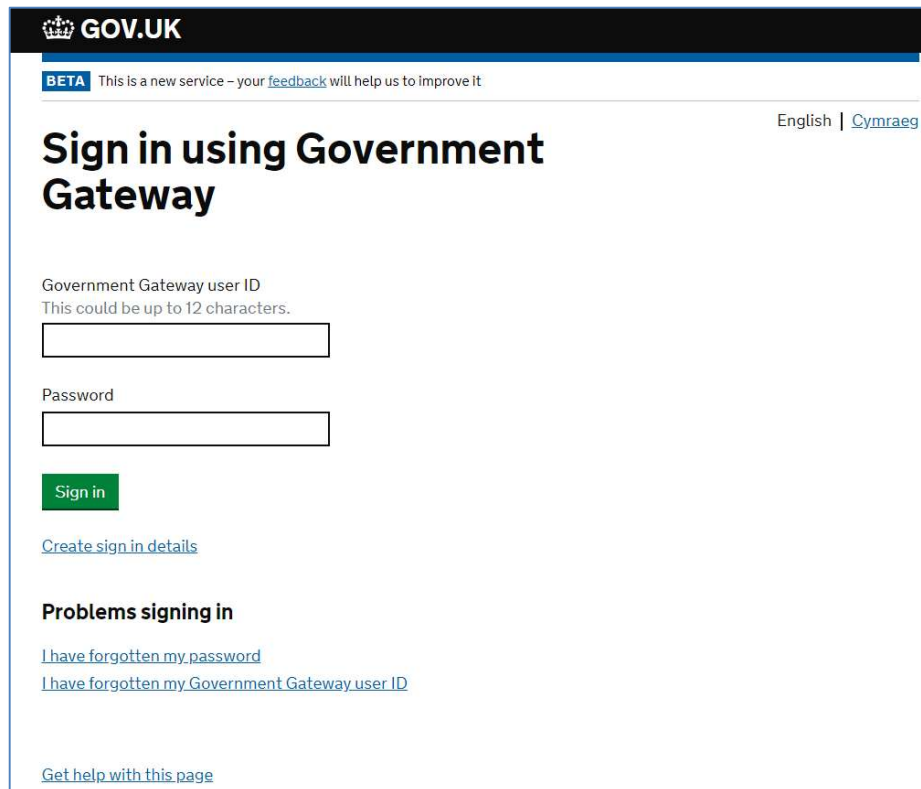
Please note that the above timetable only relates to those clients who pay their VAT liability by Direct Debit. If you make a manual online payment prior to the statutory due date or you are in a repayment situation, then you will be able to sign up 5 working days after the payment has cleared or has been received. However, you will not be able to sign up if you submit your VAT return and make your payment within 7 working days leading up to the statutory deadline of your VAT return being due.

e.g. Month ended 31 March 2019, return completed and submitted 1 May 2019 with payment made same day.

Under this scenario, this return would be submitted via the Government Gateway on the non-MTD basis and you would not be able to sign-up to MTD as you would be within 7 working days of the statutory deadline. The earliest you could sign-up to MTD would be 9 May (i.e. 5 working days after payment made allowing for a bank holiday).

Sign-up with HMRC for ‘Making Tax Digital for VAT’

- a) Sign in to your Government Gateway account



The screenshot shows the Government Gateway sign-in page. At the top, there is a black header with the 'GOV.UK' logo. Below this, a blue banner indicates 'BETA' status and mentions that feedback will help improve the service. The main heading is 'Sign in using Government Gateway'. To the right, there are links for 'English' and 'Cymraeg'. The sign-in form consists of two input fields: 'Government Gateway user ID' (with a note that it can be up to 12 characters) and 'Password'. Below these fields is a green 'Sign in' button. Further down, there is a link for 'Create sign in details'. A section titled 'Problems signing in' contains two links: 'I have forgotten my password' and 'I have forgotten my Government Gateway user ID'. At the bottom, there is a link for 'Get help with this page'.

When you log in, it is important that you check the email address is correct.

You will need to verify this email address later in the sign-up process.

- b) Once logged in to your 'Business Tax Account', in the "Sign up to Making Tax Digital for VAT" section, scroll down and click on **"Find out more about Making Tax Digital for VAT (opens in a new tab)"** link

NB – doesn't open in new tab!

GOV.UK Business tax account Sign out

Help improve digital services by joining the HMRC user panel (opens in new window) No thanks

Home Manage account Messages Help and contact

English | Cymraeg

Your business taxes

Payments will take 4 to 7 working days to show on this page. Completed return amounts will take 1 to 2 days.

These processing times do not apply to PAYE for employers. [View processing times for PAYE for employers](#)

PAYE for employers

The tax year ends on 5 April. [Find out what you need to do.](#)

You owe £0.00

[Make a payment](#)

[Payments history](#)

[See annual statements](#)

Sign up to Making Tax Digital for VAT

We are changing the way you submit your VAT Returns

From April 2019, VAT registered businesses with a turnover of £85,000 or above must use relevant third party software to submit their VAT Returns.

[Find out more about Making Tax Digital for VAT \(opens in a new tab\)](#)

Welcome [View your account details](#)

Last sign in on 7 April 2017 [not right?](#)

Your references

Employer PAYE reference: 065/L911016
Accounts Office reference: 065PZ00119768

Help with tax

[Help and contact](#)

Scroll down...

The tax year ends on 5 April. [Find out what you need to do.](#)

You owe £0.00

[Make a payment](#)

[Payments history](#)

[See annual statements](#)

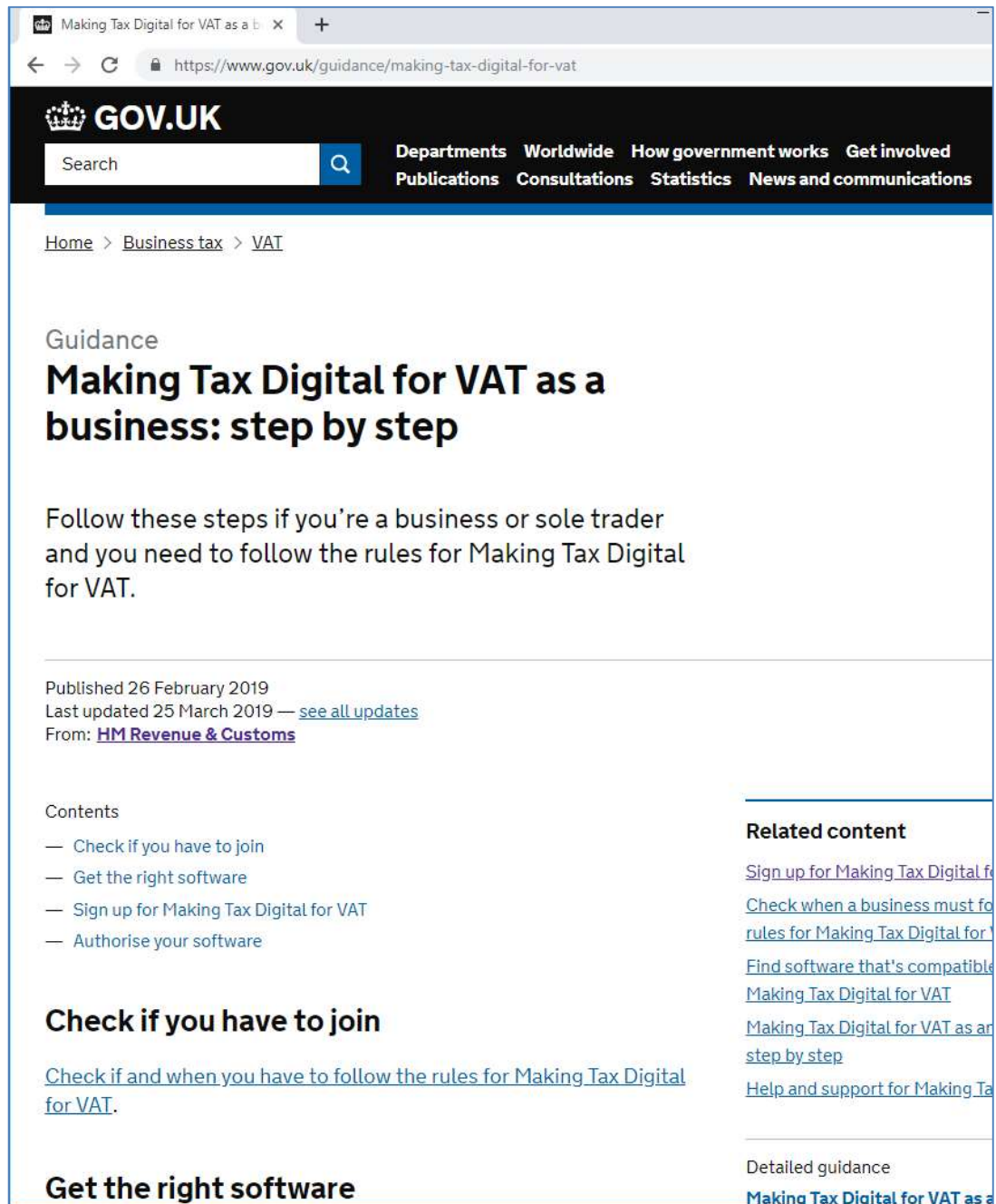
Sign up to Making Tax Digital for VAT

We are changing the way you submit your VAT Returns

From April 2019, VAT registered businesses with a turnover of £85,000 or above must use relevant third party software to submit their VAT Returns.

[Find out more about Making Tax Digital for VAT \(opens in a new tab\)](#)

- c) You will then be redirected to the ‘Making Tax Digital for VAT as a business: step by step’ page



The screenshot shows a web browser window with the URL <https://www.gov.uk/guidance/making-tax-digital-for-vat>. The page is from GOV.UK and features a search bar and navigation links. The main heading is 'Making Tax Digital for VAT as a business: step by step'. Below this, it states: 'Follow these steps if you're a business or sole trader and you need to follow the rules for Making Tax Digital for VAT.' The page is published on 26 February 2019 and last updated on 25 March 2019. It is from HM Revenue & Customs. The 'Contents' section lists four steps: 'Check if you have to join', 'Get the right software', 'Sign up for Making Tax Digital for VAT', and 'Authorise your software'. The 'Related content' section lists several links: 'Sign up for Making Tax Digital for VAT', 'Check when a business must follow the rules for Making Tax Digital for VAT', 'Find software that's compatible with Making Tax Digital for VAT', 'Making Tax Digital for VAT as a business: step by step', and 'Help and support for Making Tax Digital for VAT'. The 'Detailed guidance' section lists 'Making Tax Digital for VAT as a business: step by step'.

GOV.UK

Search

Departments Worldwide How government works Get involved
Publications Consultations Statistics News and communications

[Home](#) > [Business tax](#) > [VAT](#)

Guidance

Making Tax Digital for VAT as a business: step by step

Follow these steps if you're a business or sole trader and you need to follow the rules for Making Tax Digital for VAT.

Published 26 February 2019
Last updated 25 March 2019 — [see all updates](#)
From: [HM Revenue & Customs](#)

Contents

- [Check if you have to join](#)
- [Get the right software](#)
- [Sign up for Making Tax Digital for VAT](#)
- [Authorise your software](#)

Check if you have to join

[Check if and when you have to follow the rules for Making Tax Digital for VAT.](#)

Get the right software

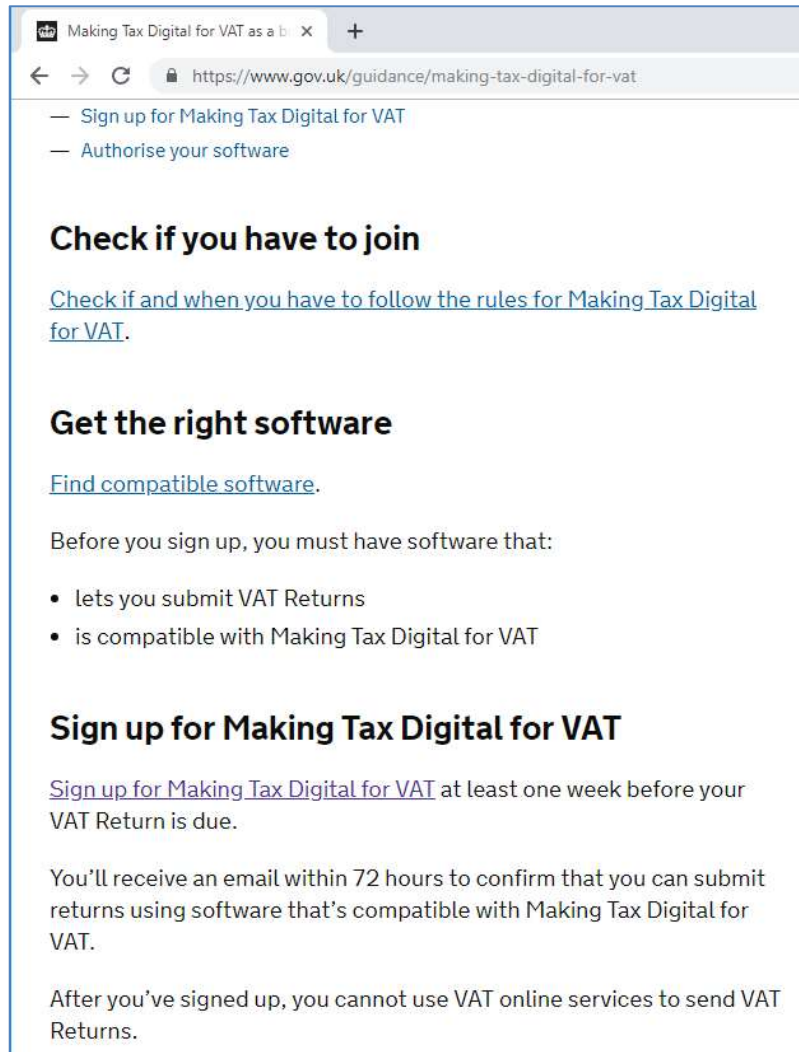
Related content

- [Sign up for Making Tax Digital for VAT](#)
- [Check when a business must follow the rules for Making Tax Digital for VAT](#)
- [Find software that's compatible with Making Tax Digital for VAT](#)
- [Making Tax Digital for VAT as a business: step by step](#)
- [Help and support for Making Tax Digital for VAT](#)

Detailed guidance

- [Making Tax Digital for VAT as a business: step by step](#)

d) Scroll down and select '**Sign up for Making Tax Digital for VAT**'



The screenshot shows a web browser window with the URL <https://www.gov.uk/guidance/making-tax-digital-for-vat>. The page content includes a breadcrumb trail: — Sign up for Making Tax Digital for VAT — Authorise your software. The main heading is **Check if you have to join**, followed by a link: [Check if and when you have to follow the rules for Making Tax Digital for VAT.](#) The next heading is **Get the right software**, followed by a link: [Find compatible software.](#) Below this, it states: "Before you sign up, you must have software that:" followed by a bulleted list:

- lets you submit VAT Returns
- is compatible with Making Tax Digital for VAT

 The next heading is **Sign up for Making Tax Digital for VAT**, followed by text: "Sign up for Making Tax Digital for VAT at least one week before your VAT Return is due." and "You'll receive an email within 72 hours to confirm that you can submit returns using software that's compatible with Making Tax Digital for VAT." The final paragraph states: "After you've signed up, you cannot use VAT online services to send VAT Returns."

e) You will then be taken to ‘Sign up your business for Making Tax Digital for VAT’ page

GOV.UK

Search

Departments Worldwide How government works Get involved
Publications Consultations Statistics News and communications

Home > Business tax > VAT

Guidance

Sign up for Making Tax Digital for VAT

Sign up your business (or your clients) for Making Tax Digital for VAT to submit VAT Returns digitally.

Published 8 February 2019
Last updated 21 March 2019 — [see all updates](#)
From: [HM Revenue & Customs](#)

Contents

- Before you start
- What you'll need
- Sign up your business
- Sign up your clients if you're an agent
- Service availability
- What happens next
- Get help

From April 2019, most VAT registered businesses with a taxable turnover above £85,000 must keep digital VAT records and use software compatible with Making Tax Digital to submit their VAT Returns.

You can [check when your business should sign up by](#).

Related content

- [Making Tax Digital for VAT as an agent: step by step](#)
- [Check when a business must follow the rules for Making Tax Digital for VAT](#)
- [Making Tax Digital for VAT as a business: step by step](#)
- [Find software that's compatible with Making Tax Digital for VAT](#)
- [Help and support for Making Tax Digital](#)

Detailed guidance

- [Making Tax Digital for VAT as an agent: step by step](#)
- [Making Tax Digital for VAT as a business: step by step](#)

f) Scroll down the page and select ‘**Sign up your business for Making Tax Digital for VAT**’

What you'll need

You'll need:

- your Government Gateway user ID and password
- the VAT number of the business that's signing up

Sign up your business

[Sign up your business for Making Tax Digital for VAT.](#)

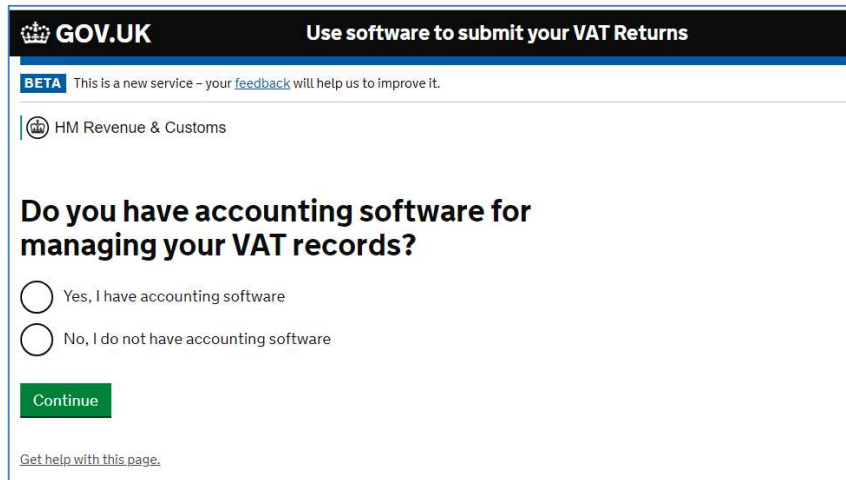
Sign up your clients if you're an agent

If you're an agent, use the Government Gateway user ID you got when you registered for an [agent services account](#).

[Sign up your clients for Making Tax Digital for VAT.](#)

You will now be asked a series of questions. These will vary depending on whether you are a sole trader, a partnership (including LLP) or a Limited Company.

- g) “Do you have accounting software for managing your VAT records?” respond ‘Yes, I have accounting software’ & click continue



GOV.UK Use software to submit your VAT Returns

BETA This is a new service – your [feedback](#) will help us to improve it.

HM Revenue & Customs

Do you have accounting software for managing your VAT records?

☐ Yes, I have accounting software

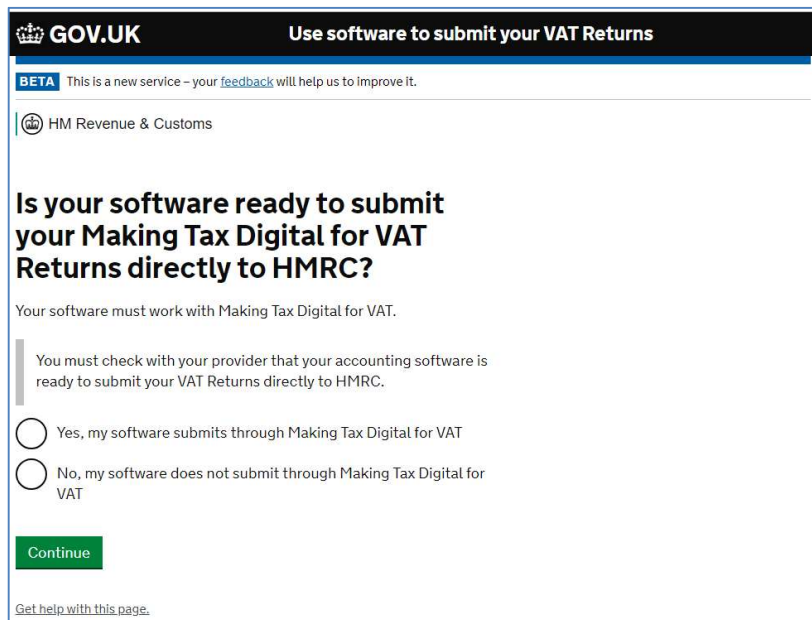
☐ No, I do not have accounting software

Continue

[Get help with this page.](#)

- h) “Is your software ready to submit your Making Tax Digital for VAT Returns directly to HMRC?”

On the basis you have already installed MTD compliant software, respond ‘Yes, my software submits through Making Tax Digital for VAT’ & click continue



GOV.UK Use software to submit your VAT Returns

BETA This is a new service – your [feedback](#) will help us to improve it.

HM Revenue & Customs

Is your software ready to submit your Making Tax Digital for VAT Returns directly to HMRC?

Your software must work with Making Tax Digital for VAT.

You must check with your provider that your accounting software is ready to submit your VAT Returns directly to HMRC.

☐ Yes, my software submits through Making Tax Digital for VAT

☐ No, my software does not submit through Making Tax Digital for VAT

Continue

[Get help with this page.](#)

- i) “Do you have more than one VAT registered business?” – Respond as appropriate and click continue

GOV.UK Use software to submit your VAT Returns [Sign out](#)

BETA This is a new service – your [feedback](#) will help us to improve it.

HM Revenue & Customs

Do you have more than one VAT registered business?

☐ Yes ☐ No

[Continue](#)

[Get help with this page.](#)

- j) “What type of business are you registered as?” – Respond as appropriate and click continue

GOV.UK Use software to submit your VAT Returns [Sign out](#)

BETA This is a new service – your [feedback](#) will help us to improve it.

HM Revenue & Customs

What type of business are you registered as?

☐ Sole trader

☐ Limited company

☐ General partnership

☐ Limited partnership (including limited liability partnerships)

☐ VAT group

☐ Administrative division

☐ Unincorporated association

☐ Trust

☐ Registered society (including community benefit societies and co-operative societies)

☐ CIO (charity)

☐ Other

[Continue](#)

- k) Enter National Insurance number / date of birth / partnership UTR / company number as requested and click continue

GOV.UK Use software to submit your VAT Returns [Sign out](#)

BETA This is a new service – your [feedback](#) will help us to improve it.

HM Revenue & Customs

What is your company number?

You received this from Companies House when you set up your company. It's 8 digits and sometimes starts with 2 letters.

[Continue](#)

[Get help with this page.](#)

- l) If requested, enter postcode and click continue

GOV.UK Use software to submit your VAT Returns [Sign out](#)

BETA This is a new service – your [feedback](#) will help us to improve it.

HM Revenue & Customs

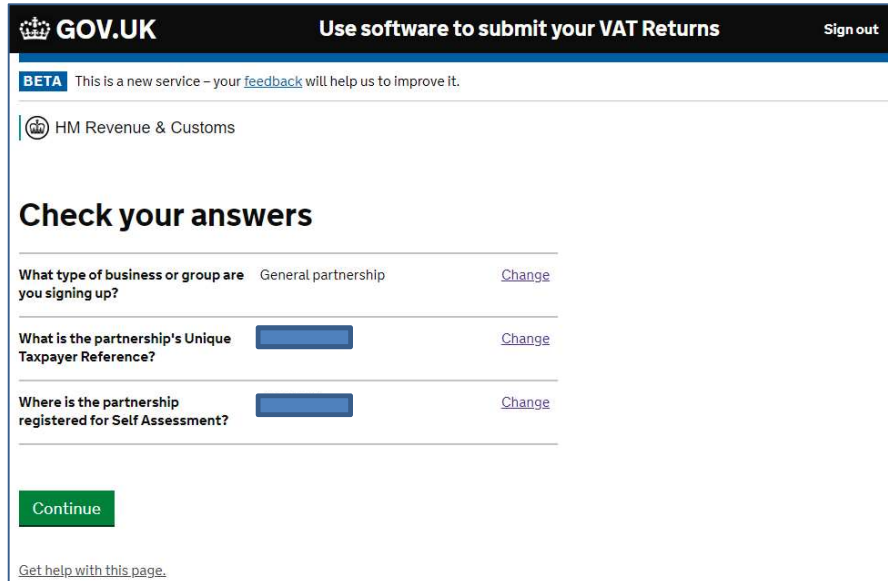
Where is the partnership registered for Self Assessment?

UK postcode

[Continue](#)


[Get help with this page.](#)

m) Check your answers / business name etc. and click continue assuming correct



GOV.UK Use software to submit your VAT Returns [Sign out](#)

BETA This is a new service – your [feedback](#) will help us to improve it.

 HM Revenue & Customs

Check your answers

What type of business or group are you signing up? General partnership [Change](#)

What is the partnership's Unique Taxpayer Reference? [Change](#)

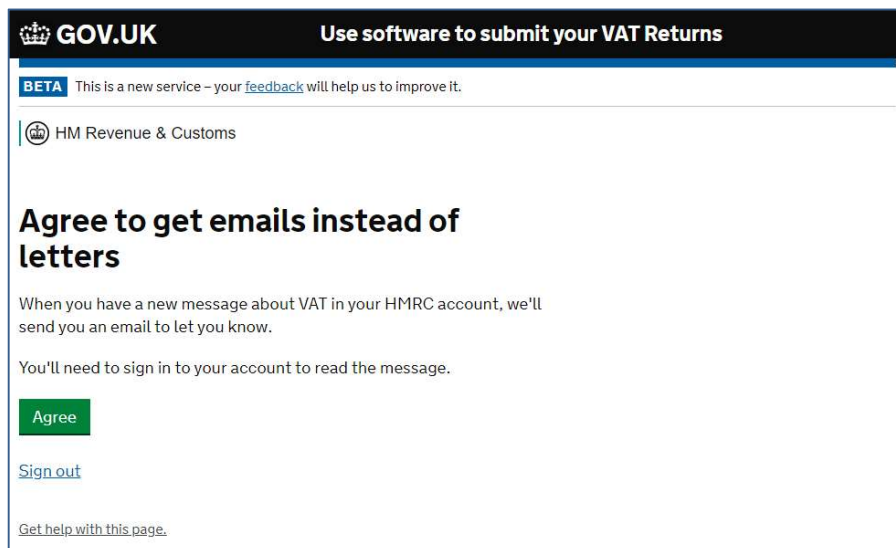
Where is the partnership registered for Self Assessment? [Change](#)

[Continue](#)

[Get help with this page.](#)


Due to the variety of business types it is not possible to list all permutations of questions which may be asked.

n) 'Agree to get emails instead of letters' – click 'Agree'



GOV.UK Use software to submit your VAT Returns [Sign out](#)

BETA This is a new service – your [feedback](#) will help us to improve it.

 HM Revenue & Customs

Agree to get emails instead of letters

When you have a new message about VAT in your HMRC account, we'll send you an email to let you know.

You'll need to sign in to your account to read the message.

[Agree](#)

[Sign out](#)

[Get help with this page.](#)

- o) Enter email address used for Government Gateway account and click continue

GOV.UK Use software to submit your VAT Returns Sign out

BETA This is a new service – your [feedback](#) will help us to improve it.

HM Revenue & Customs

What is your email address?

For example, me@me.com

[Continue](#)

[Get help with this page.](#)

- p) “Check your email address” and click continue

GOV.UK Use software to submit your VAT Returns Sign out

BETA This is a new service – your [feedback](#) will help us to improve it.

HM Revenue & Customs

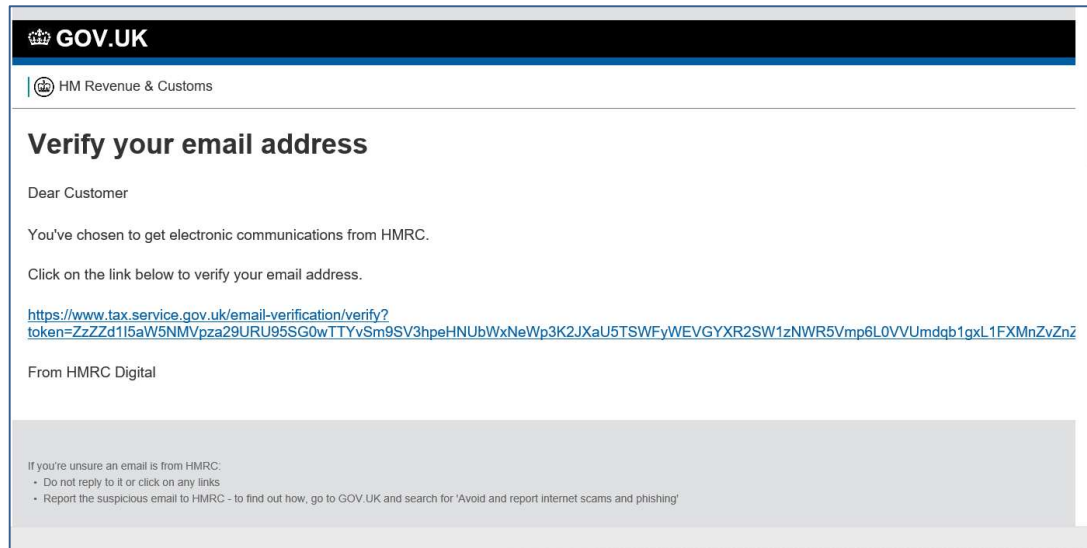
Check your email address

[Continue](#)

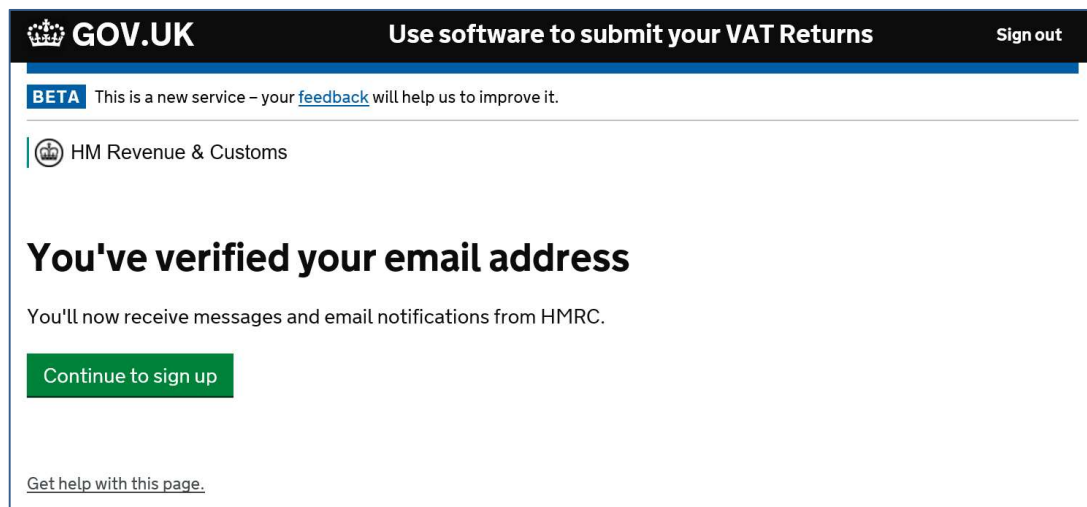
[Change email address](#)

[Get help with this page.](#)


- q) Within 72 hours, a verification email will be sent to the email address entered. When you have received the email, click on the link to verify the email address



- r) You may need to sign back in to receive the below message. Click continue to sign up



- s) Click accept and continue to complete sign up

 HM Revenue & Customs

Terms of participation

By taking part in this trial, you agree to:

- use relevant software to record your sales and purchases, then to submit your VAT Returns
- submit each VAT Return within one calendar month and 7 days from the end of your accounting period
- authorise any third party you use (such as your accountant) and have responsibility for any information they give to HMRC on your behalf
- tell HMRC if you stop trading and then submit your final VAT Return
- tell HMRC if you want to leave this trial

These terms are not contractual and you can stop taking part in the trial at any time.

[Accept and continue](#)

[Get help with this page.](#)

The above screen shot refers to taking part in a trial. The exact wording when you sign up may differ slightly.

Authenticate your MTD compliant software with HMRC

Once you have signed up to MTD with HMRC, prior to (or in some cases whilst) submitting your first MTD VAT return, you will need to 'authenticate' your compliant software, i.e. link your software to HMRC.

This process will be initiated from the software and will be processed differently depending on which piece of software you use.

For example, it maybe that you can authenticate your cloud software as soon as you have signed up to MTD. Whereas you may only be able to authenticate your desktop software when submitting your first MTD VAT return.

The process involves:

- Checking that you are using the MTD compatible version of your software

If you are using cloud software, this will have been automatically updated by your software provider.

If you are using desktop software then you will need to confirm you are on the correct version.

- Ensure you have entered your HMRC online filing credentials into your software. For some pieces of software, this information is manually typed in at the point a VAT return is filed rather than being stored within the software.

To help you get a better of understanding of what you will have to do, we have put together some screen shots and notes for the more common software solutions.

XERO USERS

Xero

- Accounting (Drop down menu)
- VAT Return

Reports > VAT returns

View summary on dashboard ☐

Needs Attention

We could not access outstanding VAT returns from HMRC

- Check the VAT number is correct in financial settings and try again
- Check you are authorised for this organisation? [Log into your agent services account](#)
- Check that your client has subscribed to Making Tax Digital (MTD)
- Connect to HMRC using your new agent services government gateway ID

Error reference: 74a5e2fb

[Try again](#) [Open financial settings](#) [Connect to HMRC](#)

Filed Looking to see VAT Transactions for your own date range? [View](#)

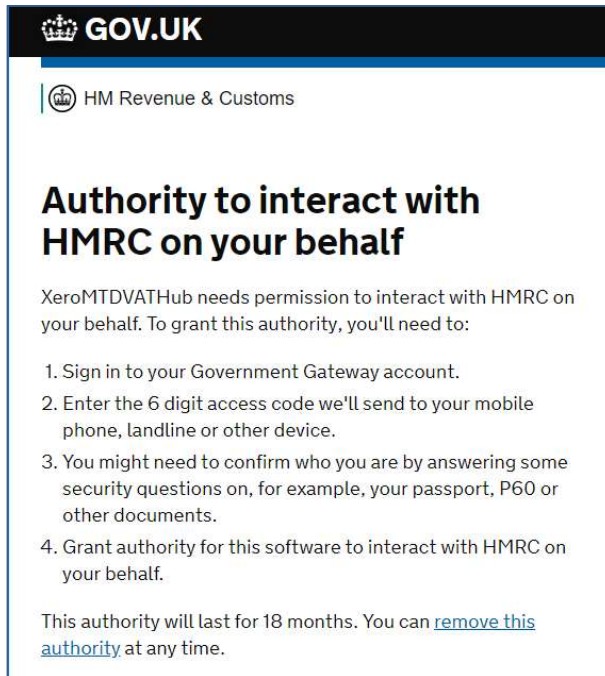
This is where your VAT returns filed with MTD will live

[Open non-MTD VAT returns](#)

- Click on 'Connect to HMRC'

NB – As per the sign-up timetable on page 3, do not click on 'Connect to HMRC' until you are ready to do so. Use the 'Open non-MTD VAT returns' link to complete and submit your VAT return on the non-MTD basis.

- You will then be taken to the following page



The screenshot shows the GOV.UK website with the HM Revenue & Customs logo. The main heading is 'Authority to interact with HMRC on your behalf'. Below this, a paragraph states: 'XeroMTDVATHub needs permission to interact with HMRC on your behalf. To grant this authority, you'll need to:'. A numbered list follows: 1. Sign in to your Government Gateway account. 2. Enter the 6 digit access code we'll send to your mobile phone, landline or other device. 3. You might need to confirm who you are by answering some security questions on, for example, your passport, P60 or other documents. 4. Grant authority for this software to interact with HMRC on your behalf. At the bottom, it says: 'This authority will last for 18 months. You can [remove this authority](#) at any time.'

- Sign in to your Government Gateway account



The screenshot shows the GOV.UK website with the 'Sign in using Government Gateway' heading. A 'BETA' banner at the top says: 'This is a new service – your [feedback](#) will help us to improve it'. Below the heading, there is a section for 'Government Gateway user ID' with the note 'This could be up to 12 characters.' and an input field. Below that is a 'Password' section with an input field. A green 'Sign in' button is positioned below the password field. At the bottom, there is a link: '[Create sign in details](#)'.

- Check your Government Gateway details and respond accordingly



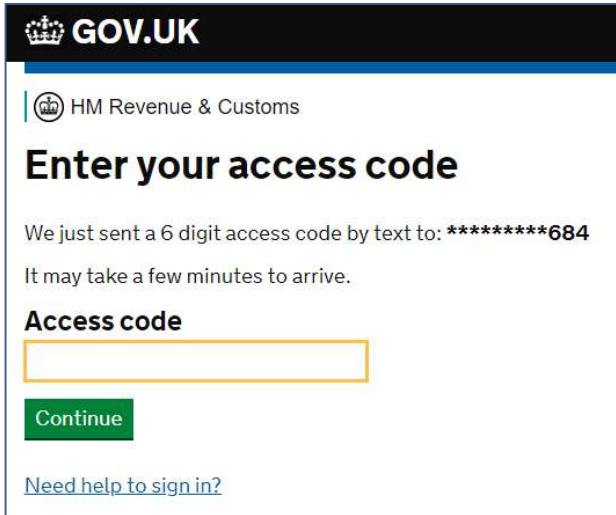
The screenshot shows the 'Check your Government Gateway details' page on the GOV.UK website. At the top, there is a black header with the GOV.UK logo. Below the header, a blue banner reads 'BETA This is a new service – your [feedback](#) will help us to improve it'. The main heading is 'Check your Government Gateway details'. Below this, there are two input fields: 'Full name' and 'Email address', both with blue placeholder text. Underneath the input fields, the text 'Are these details correct?' is followed by two radio buttons labeled 'Yes' and 'No'. At the bottom, there is a green 'Continue' button.

- 'Set up recovery for your sign in details' – respond as necessary. Choose 'Set this up another time' if you don't want to do now




The screenshot shows the 'Set up recovery for your sign in details' page on the GOV.UK website. At the top, there is a black header with the GOV.UK logo. Below the header, a blue banner reads 'BETA This is a new service – your [feedback](#) will help us to improve it'. The main heading is 'Set up recovery for your sign in details'. Below the heading, there is a paragraph of text: 'You need to set up a recovery word so that you can get back into Government Gateway if you forget your password.' At the bottom, there is a green 'Continue' button and a link that says 'Set this up another time'.

- Enter access code (as sent to your mobile device or APP)



The screenshot shows the GOV.UK HM Revenue & Customs login page. At the top is the GOV.UK logo. Below it is the HM Revenue & Customs logo and name. The main heading is 'Enter your access code'. The text below the heading says: 'We just sent a 6 digit access code by text to: *****684. It may take a few minutes to arrive.' There is a text input field for the 'Access code'. Below the input field is a green 'Continue' button. At the bottom is a link that says 'Need help to sign in?'.

- 'Set security backup' – respond as necessary or click 'I can't do this right now'



The screenshot shows the GOV.UK HM Revenue & Customs 'Set security backup' screen. At the top is the GOV.UK logo. Below it is the HM Revenue & Customs logo and name. The main heading is 'Set security backup'. The text below the heading says: 'You can add a backup option so HMRC has another way to send you access codes. This means you can sign in even when your default phone or app is not available.' There is a green 'Continue' button. At the bottom is a link that says 'I can't do this right now'.

- ‘Authority to interact with HMRC on your behalf’ – click ‘Grant Authority’

GOV.UK

HM Revenue & Customs

Authority to interact with HMRC on your behalf

The **XeroMTDVATHub** software application is requesting to do the following:

- View your VAT information
- Change your VAT information

It will be able to do the above for 18 months from when you grant authority.

[Grant authority](#) [Do not grant authority](#)

XeroMTDVATHub will act in accordance with their [privacy policy](#) and their [terms and conditions](#).

You can [remove this authority \(opens in a new tab\)](#) at any time.

- Once authority has been granted, HMRC can now connect to your Xero software to indicate which VAT returns are due:

Reports > VAT returns

[Redacted] is now connected to HMRC and can submit VAT returns with Making Tax Digital (MTD) ×

Easily review and adjust your VAT information and submit VAT returns directly to HMRC.

VAT information from HMRC as of 26 Feb 2019 View summary on dashboard

Needs Attention

01 Dec 2018 - 28 Feb 2019
Due in 40 days 07 Apr 2019 Review

Filed Looking to see VAT Transactions for your own date range? [View](#)

This is where your VAT returns filed with MTD will live

[Open non-MTD VAT returns](#)

- To submit a Xero VAT return under MTD, click on the ‘Review’ button

- For those who are familiar with Xero, they will notice the next screen is different to what they are familiar with.

The summary 'VAT Return' still lists boxes 1 to 9, however, it is now possible to 'Adjust' each box (Please note we do not recommend using the 'Adjust' functionality).

There are now two options for the 'VAT Audit Report'. Essentially the detailed VAT breakdown can be reviewed in two ways:

- 1) Based on boxes 1 to 9
- or
- 2) Based on tax rate (which is how the old audit report was presented)

Reports > VAT returns > 01 Mar 2019 - 31 May 2019

VAT Return

Transactions by VAT box

Transactions by tax rate

Import VAT box amounts

Export

Due in 97 days 07 Jul 2019 • Cash • Quarterly • Late claims included

VAT Calculations

Box 1	VAT due this period on sales and other outputs	Adjust	0.00
Box 2	VAT due in this period on acquisitions from other EC Member States	Adjust	0.00
Box 3	Total VAT due (the sum of boxes 1 and 2)		0.00
Box 4	VAT reclaimed in this period on purchases and other inputs (including acquisitions from EC)	Adjust	0.00
Box 5	VAT to Pay HMRC		0.00

Sales and Purchases Excluding VAT

Box 6	Total value of sales and all other outputs excluding VAT (including supplies to EC)	Adjust	0
Box 7	Total value of purchases and all other inputs excluding VAT (including acquisitions from EC)	Adjust	0

EC Supplies and Purchases Excluding VAT

Box 8	Total value of all supplies of goods, excluding any VAT, to other EC Member States	Adjust	0
Box 9	Total value of all acquisitions of goods, excluding any VAT, from EC Member States	Adjust	0

Submit to HMRC

SAGE 50CLOUD (DESKTOP) USERS

(See page 28 for Sage Business Cloud guidance)

Sage 50Cloud (Desktop)

- Settings
- Company Preferences
- VAT tab - tick the box 'Enable Making Tax Digital for VAT submissions'

The screenshot shows the 'Company Preferences' window with the 'VAT' tab selected. The 'VAT Details' section includes fields for 'VAT Reg' (12345678), 'Non-Vatable Tax Code' (T9 0.00), and 'VAT Scheme' (VAT Cash Accounting (UK)). There are checkboxes for 'Item VAT Amendable', 'Validate VAT Number', and 'Enable Making Tax Digital for VAT submissions'. The 'EC Sales' section has an 'Error Threshold' (30% (Recommended)), 'Branch Identifier' (000), and 'Branch Postcode'. The 'eSubmissions Credentials' section has fields for 'User ID', 'Password', and 'Confirm'. The 'eSubmissions Contact Details' section has fields for 'Forenames', 'Surnames', 'Telephone', and 'Email'.

- Generate & complete VAT as you would normally
- In the 'Submit to HMRC' section, select 'Submit online'

The screenshot shows the 'VAT Return - NEW' window. It has three tabs: '1. Prepare VAT Return', '2. Reconcile VAT Return', and '3. Complete VAT Return'. The 'VAT Return' section shows the period '01/12/2018 - 28/02/2019' and a 'RECONCILED' status. The 'VAT transfer' section shows 'Date' (28/02/2019), 'Sales tax amount' (10279.66), and 'Purchase tax amount' (5231.18). The 'Submit to HMRC' section has a 'Submit online' button. A 'Making Tax Digital for VAT' dialog box is open, asking if the user has signed up with HMRC to submit their VAT Return as part of the Making Tax Digital for VAT pilot. The dialog box has 'Enable' and 'Submit' buttons. The 'VAT Return' table shows the following values:

	8	0.00
VAT due in this period on sales		
VAT due in this period on EC acquisitions		
Total VAT due (sum of boxes 1 and 2)		
VAT reclaimed in this period on purchases		
Net VAT to be paid to Customs or reclaimed by		
Total value of sales, excluding VAT		
Total value of purchases, excluding VAT		
Total value of EC sales, excluding VAT	8	0.00
Total value of EC purchases, excluding VAT	9	4943.34

The 'Adjustments' section shows 'Adjustments: £0.00' and a 'View adjustments' button. The 'Attachments' section has an 'Add Attachments' button.

- At this stage you are redirected back to the 'Company Preferences' section

Complete the 'eSubmission Credentials' and 'eSubmission Contact Details' then press OK

The screenshot shows the 'Company Preferences' window with the 'VAT' tab active. The 'VAT Details' section includes fields for 'VAT Reg' (123456789), 'Non-Vatable Tax Code' (T9 0.00), and 'VAT Scheme' (Standard VAT). Checkboxes for 'Item VAT Amendable', 'Validate VAT Number', and 'Enable Making Tax Digital for VAT submissions' are visible. The 'eSubmissions Contact Details' section contains fields for 'Forenames' (Tim), 'Surnames' (Preece), 'Telephone' (01524 67111), and 'Email' (timprece@scott-wilkinson.com). A modal dialog titled 'Making Tax Digital for VAT' is overlaid, asking for confirmation to submit VAT Returns under the Making Tax Digital regulations, with 'Yes' and 'No' buttons.

- You will now be redirected to the following screen, press Next

The screenshot shows the 'VAT Return' submission screen. A modal dialog titled 'VAT Return Online Submission' is displayed, providing information about Making Tax Digital and guiding the user through the submission process. The dialog includes a progress bar with 'Welcome', 'Company', and 'Submission' steps. It also contains a 'Next' button and a 'Cancel' button. The background shows the 'VAT Return' form with fields for 'VAT due in this period', 'Total VAT due (sum of VAT due in this period)', 'VAT reclaimed in this period', 'Net VAT to be paid to HMRC', 'Total value of sales', 'Total value of purchases', 'Total value of EC sales', and 'Total value of EC purchases'. The 'VAT transfer' section on the right includes a 'Submit online' button, a 'Mark as submitted' checkbox, a 'Post Bank Payment' button, and a 'Mark as paid' checkbox.

- You will then see the following screen. Review and press Next

- It is at this stage 'Sage 50Cloud' will ask you to authenticate the software with HMRC

- Sign in with your Government Gateway account to grant authority

- You will now be taken to the following screen

It is important that you choose the correct VAT period

Whilst testing, we found that a later VAT period was selected by default

Tick the 'I agree to the following HMRC declaration' and click 'Submit to HMRC'

VAT Return

✓ Welcome > ✓ Company > Submission

Submit your period

Select the period that you would like to submit to HMRC.

01/12/2018 to 28/02/2019, Due: 07/04/2019, Status: Open

☒ I agree to the following HMRC declaration

Business declaration
When you submit this VAT information you are making a legal declaration that the information is true and complete. A false declaration can result in prosecution.

Agent declaration
I confirm that my client has received a copy of the information contained in this return and approved the information as being correct and complete to the best of their knowledge and belief.

Back Submit to HMRC Cancel

- Assuming the submission is successful, you will then see the following screen

VAT Return

✓ Welcome > ✓ Company > ✓ Submission

Congratulations

You have successfully submitted your VAT Return to HMRC.

Processed Date: 25/03/2019 13:49:20

Payment Indicator:

Charge Reference No.: XD007407101706

Close

- You will then be taken back to the main VAT return screen where the 'Submit to HMRC' has been up dated

VAT Return

1. Prepare VAT Return 2. Reconcile VAT Return 3. Complete VAT Return

VAT Return

01/12/2018 - 28/02/2019

RECONCILED

VAT due in this period on sales	1	10279.66
VAT due in this period on EC acquisitions	2	988.66
Total VAT due (sum of boxes 1 and 2)	3	11268.32
VAT reclaimed in this period on purchases	4	6219.84
Net VAT to be paid to Customs or reclaimed by you	5	5048.48
Total value of sales, excluding VAT	6	51433.53
Total value of purchases, excluding VAT	7	42945.88
Total value of EC sales, excluding VAT	8	0.00
Total value of EC purchases, excluding VAT	9	4943.34

Print Verification results Adjustments: £0.00 View adjustments

VAT transfer

Date: 28/02/2019

Sales tax amount: 10279.66

Purchase tax amount: 5231.18

Transferred

Submit to HMRC

VAT Return successfully submitted to the HMRC Gateway on: 25/03/2019

Correlation ID: c1d4e038-694f-45e0-a5cc-bfef29ea

Submitted

Submission confirmation

Record payment

Bank: 1200

Date: / /

Reference: 123456789

Details: VAT Payment

Amount: 5048.48

Post Bank Payment

If you have already recorded this transaction in your accounts, select Mark as paid.

Mark as paid

Attachments

Add Attachments

Close

- If you now click on the 'Submission Confirmation' button you can access a submission receipt

Date: 29/03/2019 Page: 1

Time: 16:02:14

VAT Return Submission Confirmation

Dates of submission

Start Date	01/12/2018
End Date	28/02/2019
Due Date	07/04/2019

The date payment will be taken by HMRC, if a direct debit scheme is active

Currency used for the VAT Return	
The time the VAT Return was received by HMRC	2019/03/25 13:49:20
The Correlation ID assigned to this VAT Return by HMRC	
c1d4e038-694f-45e0-a5cc-bfef29ea	
The net VAT amount contained in the receipt	5,048.48
The direct debit instruction status returned by HMRC	

SAGE BUSINESS CLOUD USERS

(See page 23 for Sage 50 Desktop guidance)

Sage Business Cloud

- Sign into Sage Business Cloud
- Settings
- 'Accounting Dates & VAT' (In 'Financial Settings' section), scroll down
- Select 'Authenticate'

The screenshot displays the 'VAT DETAILS' section of the Sage Business Cloud settings. It includes dropdown menus for 'VAT Scheme' (currently 'Cash Accounting') and 'Submission Frequency' (currently 'Quarterly'). There are input fields for 'VAT Number' and 'HMRC User ID'. A 'Save' button is located at the bottom right of this section. Below the VAT details, there is a 'MAKING TAX DIGITAL' section. It contains an information box with the text: 'You must sign up to MTD and receive confirmation from HMRC that you have been accepted before authenticating. Once you've authenticated this change can't be undone and future VAT returns will be submitted via Making Tax Digital. You will still have access to any previously submitted VAT returns.' Below this information box is an 'Authenticate' button with an external link icon.

- You will then have to log back into your Government Gateway account to complete the authentication

QUICKBOOKS ONLINE USERS

(See page 31 for Desktop guidance)

QuickBooks Online

- Sign into QuickBooks Online
- 'Taxes' (down the left hand side)
- 'Edit HMRC VAT' (Top right hand corner)
- 'Edit Settings'
- Toggle the switch to turn on MTD then press 'Save'

Edit HMRC VAT settings

Tax agency name
HMRC VAT

Start of current VAT period
January

Filing frequency
Quarterly

VAT accounting scheme
☐ Standard
☒ Cash

Effective date for new scheme
30/09/2017

VAT registration number
922579506

Other tax options
☐ Flat Rate Scheme (FRS)

Digital VAT submission
 Turn on Making Tax Digital (MTD) for VAT
☐ Turn on MTD ☒ Making Tax Digital
 HMRC recognised

Save

- You will then need to confirm that you have already signed up for MTD with HMRC

Have you signed up for Making Tax Digital?

To turn on Making Tax Digital in QuickBooks you need to sign up with HMRC first.

☐ I've signed up for Making Tax Digital

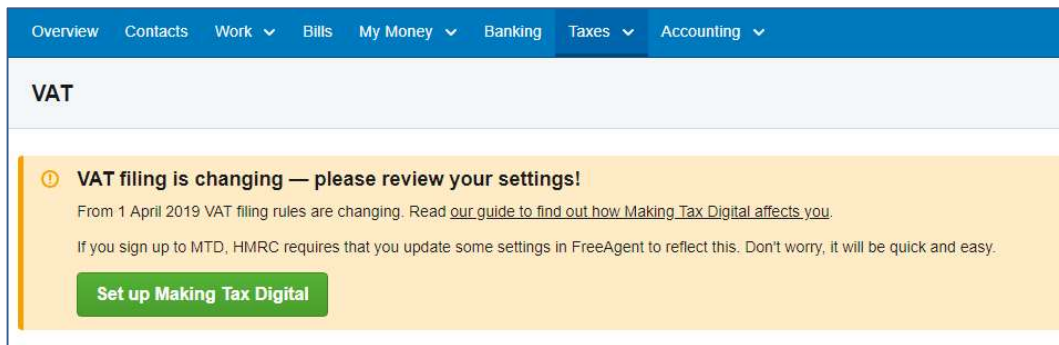
Cancel Got it

- You will then have to log back into your Government Gateway account to complete the authentication

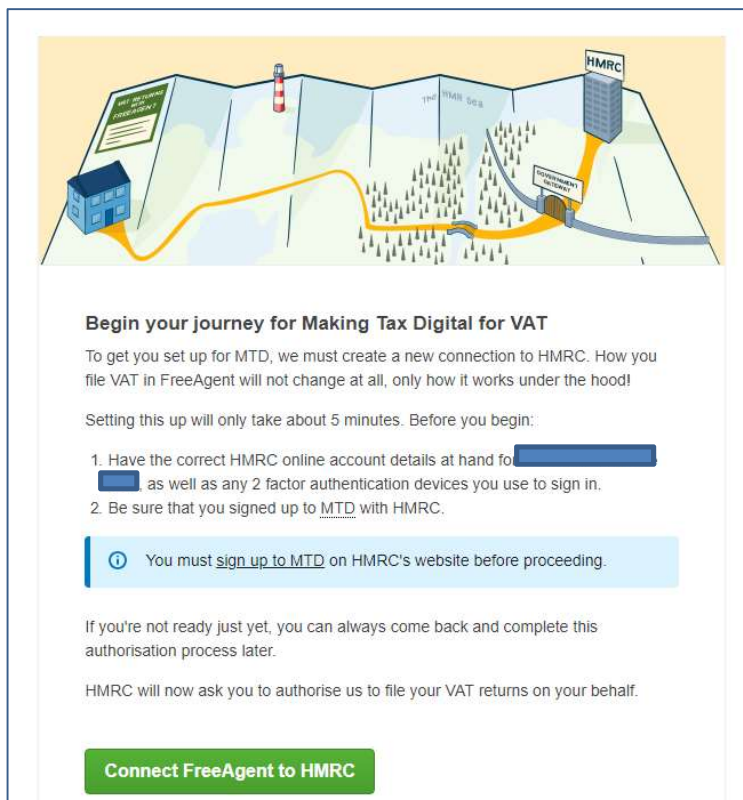
FREEAGENT USERS

FreeAgent

- Sign into FreeAgent
- Taxes (Drop down menu)
- VAT
- Select 'Set up Making Tax Digital'



- You will then be redirected to the following screen



- Select 'Connect FreeAgent to HMRC' and follow the onscreen instructions.

QUICKBOOKS (DESKTOP) USERS

(See page 29 for Online guidance)

QuickBooks (Desktop)

It is necessary to ensure you upgrade to 'QuickBooks Desktop 2019 Release R6P'.

To configure your QuickBooks desktop software:

- a) VAT Drop down menu
- b) File VAT

You will then be presented with the following screen:

FILE VAT MTD

Use this option if you're registered for VAT and have a taxable turnover above the threshold of £85,000 set by HMRC for the Making Tax Digital initiative that is slated to commence April 2019.

1 Sign Up 2 Connect to HMRC

File VAT MTD

FILE VAT

Use this option to file VAT if your taxable turnover is below the threshold of £85,000 set by HMRC for the Making Tax Digital initiative. You can file your return online or manually.

File VAT

For more information on Making Tax Digital, please [Click here](#)

- c) The 'Sign Up' link will take you to HMRC's 'Making Tax Digital for VAT as a business: step by step' screen
- d) The 'Connect to HMRC' will authenticate the QuickBooks software with HMRC
- e) 'File VAT MTD' will then allow you to submit your MTD compliant VAT return.

Please see following link for detailed guidance:

<https://quickbooks.intuit.com/community/Making-Tax-Digital/How-to-submit-a-VAT-return-to-HMRC-MTD-for-QuickBooks-Desktop/m-p/260215>

NB – As at 1 April 2019, this guidance was dated 11 March 2019. QuickBooks 2019 R6 was released 28 March 2019 so the above guidance should be updated in the near future.

FARMPLAN / PROMAR USERS

Farmplan / Promar

It is necessary to ensure you upgrade to Version 3.39 of the Farmplan Business Manager software.

When you first access your upgraded software, you will be prompted to enter some additional business information that will be required for Making Tax Digital.

For full details of how to sign-up to MTD and how to configure your Farmplan software, please view the following link:

<https://s3-eu-west-1.amazonaws.com/farmplan-assets-live/sites/1/2019/02/A4enhancementsBusinessManager3.39-sa.pdf>