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**Date** 6 February 2019

Dear Sir or Madam

### **We are modernising the VAT system - get your business ready now**

For accounting periods starting on or after 1 April 2019, VAT registered businesses with an annual taxable turnover above the VAT threshold of £85,000 must:

- keep digital records for all VAT transactions
- use compatible software to submit VAT returns to us

We call this Making Tax Digital. Your business is VAT registered and has an annual taxable turnover above the VAT threshold. This means that if you have not already started to prepare, you should act now to get ready for this change. Taxable turnover is the total value of everything you sell that is not exempt from VAT.

We understand you are currently using software from [XERO](#) to send us your VAT returns. This provider is updating their products to work with Making Tax Digital.

### **What you need to do**

To get your business ready, you must:

- 1 talk to your accountant, if you have one, about signing up to Making Tax Digital
- 1 go to [www.gov.uk](http://www.gov.uk), search for 'MTD action' and click on the first link to sign up
- 2 check your software is ready for Making Tax Digital

Sign up now to be certain that your software meets the new requirements. Once your software is set up, you can send your VAT returns to us with just the click of a button.

Help and guidance is available when you follow step 2 above. This includes short YouTube videos and links to the ways you can contact us.

Yours faithfully

**Claire Sheehan**

Making Tax Digital for Business - Transformation Programme