MTD Update for Agents #11: Date 28 October 2019

Welcome to edition #11 of our Making Tax Digital (MTD) update for agents. 
If there’s any subject you’d like us to cover in future updates or you want to be added to the distribution list for this publication, please let us know via the MTD mailbox at:

makingtaxdigital.mailbox@hmrc.gov.uk

In this edition:

1. Service Availability
2. Overseas based clients
3. Sign up timelines for VAT Deferred businesses
4. Manage your clients
5. Update to MTD VAT Notice 700/22
6. Changes to the Agent Services Account
7. TAXAdviser article
8. YouTube videos
9. Webinars
10. Useful links

Service Availability

There is currently no planned downtime for either the Agent Services Account or the Making Tax Digital system.

Agent services account: service availability and issues  

Making Tax Digital for VAT: service availability and issues  

We have recently updated this page to inform customers of an issue affecting some overseas-based clients. Read on for further information.
## Key Updates

### Overseas based clients

Some agents, when trying to sign up their overseas clients to MTD, have found them being incorrectly treated as UK based companies. This means they are unable to complete the sign up process.

If your client is affected, and their VAT return is due, please submit it as normal through HMRC Online Services.

Not all overseas customers are affected by this issue, but we do apologise for any inconvenience this has caused.

We will notify you in a future issue of Agent Update when this issue is resolved.

### Sign up timelines for VAT Deferred businesses

Attached to this edition’s email is a MS PowerPoint file and a (non-interactive) PDF giving guidance on sign up dates for deferred customers.

We created something similar for non-deferred customers and received lots of positive feedback on it so we hope you find this revised version useful.

All previously deferred businesses should submit their last non-MTD return and ensure any payment/repayment has been finalised before signing up to MTD.

There are different sign up dates depending on whether payment is by Direct Debit or not.

Sign up dates are especially important for monthly customers as the sign up window is much shorter than for other customers.

Sign up for Direct Debit paying monthly customers is only available between 15 and 27 November.

### Manage your clients


If your client is signed up for Making Tax Digital for VAT, you can use this page to:

- change your client’s business name if they’re a limited company
- update your client’s principal place of business
- view their VAT certificate
- change their VAT Return dates
- cancel their VAT registration
- view details of returns submitted by software under Making Tax Digital (NEW)
- opt out clients from MTD (NEW)
Agents are now able to see details of returns submitted under Making Tax Digital from the ‘Manage your clients details’ service. Businesses can access this information using their Business Tax Account.

**Opt Out of MTD**

You should only opt out clients where they have signed up voluntarily and their annual taxable turnover is under the current threshold of £85K.

Using the green ‘Start now’ button on the GOV.UK page, enter your Agent Services Account (ASA) credentials. You’ll be prompted to enter your client’s VAT number - if it’s entered correctly select the ‘Change VAT details’ button and use the ‘Continue’ button to proceed to the ‘Your Client’s VAT details’ screen and select the ‘Opt out’ link at the bottom.

You need to confirm whether the taxable turnover of the business has been above £85K since 1 April 2019. If you select ‘Yes’ the screen below will display:

![Image]

If you select ‘No’ you are presented with this screen:

![Image]

Selecting ‘Confirm and opt out’ is followed by:
Businesses opt out of MTD using their Business Tax Account. There is an ‘Opt out’ link on the ‘Your Business Taxes’ screen. The process to follow is then very similar to the one for agents described above.

**Update to MTD VAT Notice 700/22**

We have updated the VAT notice ([https://www.gov.uk/government/publications/vat-notice-70022-making-tax-digital-for-vat](https://www.gov.uk/government/publications/vat-notice-70022-making-tax-digital-for-vat)) with information on how businesses with complex or legacy IT systems can apply for additional time on the digital link element of MTD for VAT. The new guidance is at ‘4.2.1.3 Digital links deadline extensions’.

**Changes to the Agent Services Account**

There have been a couple of changes to the Agent Services Account. From 7 October:

- Partnerships and Sole Proprietors will be asked for their National Insurance Number and date of birth (in addition to the existing information required) when creating a new Agent Services Account.

- Overseas companies creating an Agent Services Account will be asked for their Anti-Money Laundering Supervision (AMLS) details but will be able to carry on through the journey without them if the country where they are based doesn’t provide them. There is a check box at the end of the journey where agents can indicate companies comply with the AMLS regulations within the country where they are based.
**TAXAdviser article**

At the beginning of October TAXAdviser interviewed Teresa Middleton, Director of HMRC’s Making Tax Digital programme. The article can be found here: [https://www.taxadvisermagazine.com/article/time-transition](https://www.taxadvisermagazine.com/article/time-transition)

An update on the figures given in the article – there are now over 1.2 million customers signed up to the MTD service and they have made over 1.7 million software submissions.

**YouTube videos**

We’ve revised 2 videos on our MTD YouTube channel at [https://www.youtube.com/playlist?list=PL8EcnheDt1zi1ipk1qexrwdAU5O6LS84a](https://www.youtube.com/playlist?list=PL8EcnheDt1zi1ipk1qexrwdAU5O6LS84a)

They are:

- How to sign up to Making Tax Digital for VAT [https://www.youtube.com/watch?v=OyWJz0fSDE4&list=PL8EcnheDt1zi1ipk1qexrwdAU5O6LS84a&index=11](https://www.youtube.com/watch?v=OyWJz0fSDE4&list=PL8EcnheDt1zi1ipk1qexrwdAU5O6LS84a&index=11)
- Making Tax Digital for VAT: What is compatible software? [https://www.youtube.com/watch?v=EVC_UuErOB0&list=PL8EcnheDt1zi1ipk1qexrwdAU5O6LS84a&index=12](https://www.youtube.com/watch?v=EVC_UuErOB0&list=PL8EcnheDt1zi1ipk1qexrwdAU5O6LS84a&index=12)

**Webinars**

Our webinars continue to receive positive feedback. Consequently, we’ve scheduled two further Talking Points webinars on creating Agent Services accounts and signing up clients to MTD.

The webinars are on Thursday 14 November at 12 noon and Thursday 28 November at 2pm. Both webinars last an hour.

You can register for these webinars via this GOV.UK page: [https://www.gov.uk/guidance/help-and-support-for-agents](https://www.gov.uk/guidance/help-and-support-for-agents)

**Useful links**

- 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
- Create an agent services account
- Sign in to your agent services account
Copy across existing clients to your agent services account

Sign up for Making Tax Digital for VAT

Keep digital records for Making Tax Digital for VAT

Manage your client's details for Making Tax Digital for VAT

Help and support for Making Tax Digital

VAT Notice 700/22: Making Tax Digital for VAT
A small number of businesses were advised they could defer signing up to Making Tax Digital for VAT until the beginning of their first accounting period that begins on or after 1 October 2019.

The following advice will help those businesses, or their agents, ensure they sign up for MTD at the right time.

Select the boxes below for more information (selecting “Return to Start” will bring you back here)

- When should you sign up a business for MTD? Are there any restrictions?
- When is the right time to sign up? (Sign Up Menu)
When should you sign up a deferred business for MTD? Remember, HMRC won’t do this for you.

In the examples in this guide, HMRC recommends signing up in the green zones of the timelines. This should make things straightforward, regardless of how you pay or when you file your return.

Signing up in the amber zones needs greater care or may not be possible.

Are there any restrictions? Yes – businesses, in payment or repayment positions, must file their final non-MTD return prior to signing up.

How a business pays also affects sign up:

- Businesses that pay by Direct Debit (DD) must ensure payment or the repayment for their final non MTD return has been completed before signing up.
- Businesses that pay by other methods must allow:
  - 24 hours after filing before signing up
  - 72 hours after signing up before filing via MTD

What if I’m in a repayment position? The rules are the same, incl. those for DD users; make sure the previous return is filed and paid/repaid before signing up. And see the note about filing early*

What about late filing? Pay via DD? Filing late affects when DD payments are taken:

- DD Payments for returns *filed early or on time are taken/repaid 3 working days after the filing deadline.
- DD payments for returns filed after the due date will be taken/repaid 3 working days after filing
- Remember: Businesses that pay by Direct Debit (DD) must ensure payment for the final non MTD return has been completed/remitted to HMRC before signing up

Pay via other methods? You must wait 24 hours after filing before signing up if you file late

A note of caution - filing your last non-MTD return late, however you pay may mean attempting to sign up in an amber zone.

HM Revenue & Customs

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Go to Sign Up Menu

Return to Start
When should you sign your business/client up for MTD?

Remember, HMRC won’t do this for you.

Timelines differ depending on the frequency a business submits its returns to HMRC - **monthly** or **quarterly**

HMRC recommends you complete sign up in the **green zones** in the following examples.

Signing up in the **amber zones** needs greater care or may not be possible.

Select the boxes below for more detail (**Return to Sign Up Menu** returns you to this page).

<table>
<thead>
<tr>
<th>My first monthly MTD submission will be</th>
<th>My first quarterly MTD submission will be</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st – 31st October 2019</td>
<td>October 2019 - December 2019</td>
</tr>
<tr>
<td>My first quarterly MTD submission will be</td>
<td>December 2019 - March 2020</td>
</tr>
<tr>
<td>November 2019 – January 2020</td>
<td></td>
</tr>
</tbody>
</table>

Deferred businesses can still sign up for accounting periods (monthly or quarterly) that began prior to 1st October, on a voluntary basis.

*Deferred businesses must still observe the guidance shown under “When should you sign up a business for MTD? Are there any restrictions?”*

<table>
<thead>
<tr>
<th>Accounting Period Month Ending</th>
<th>Sign up period ends</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 2019</td>
<td>30 October 2019</td>
</tr>
<tr>
<td>October 2019</td>
<td>29 November 2019</td>
</tr>
<tr>
<td>November 2019</td>
<td>27 December 2019</td>
</tr>
</tbody>
</table>
My first quarterly MTD submission as a deferred business will be October 2019 - December 2019

HMRC recommends you complete sign up in the green zone for a smooth transition. Signing up in the amber zones needs greater care or may not be possible.

- **Sign up not possible for DD payers**
  - Only sign up for MTD VAT in October if you file Jul-Sep19 return early and don’t pay via Direct Debit
  - You must still allow at least 24 hours after filing before sign up

- **File July – Sep 19 return by 7 November**
  - Direct Debit payers - check that payment for the final non MTD return has been completed before signing up.
  - Not a DD payer?
    - Allow at least 24 hours after filing before sign up

- **If you file Oct19 - Dec19 return early make sure you’ve signed up in good time**
  - Direct Debit payers - check that payment for the final non MTD return has been completed before signing up
  - Sign up for Direct Debit Payers closes 30/01/20
  - Not a DD Payer? Sign up at least 72 hours before filing

- **If you file Oct19 - Dec19 return early make sure you’ve signed up in good time**
  - Direct Debit payers - check that payment for the final non MTD return has been completed before signing up
  - Sign up for Direct Debit Payers closes 30/01/20
  - Not a DD Payer? Sign up at least 72 hours before filing

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Return to Sign Up Menu

Return to Start
My first quarterly MTD submission as a deferred business will be November 2019 – January 2020

HMRC recommends you complete sign up in the **green zone** for a smooth transition. Signing up in the **amber zones** needs greater care or may not be possible.

- **Sign up not possible for DD payers**
  - Only sign up for MTD VAT in November if you file Aug-Oct 19 return early and don’t pay via Direct Debit
  - You must still allow at least 24 hours after filing before sign up

- **File Aug – Oct 19 return by 7 December**
  - Direct Debit payers - check that payment for the final non MTD return has been completed before signing up
  - Not a DD payer? Allow at least 24 hours after filing before sign up

- **If you file Nov19 - Jan20 return early make sure you’ve signed up in good time**
  - Direct Debit payers - check that payment for the final non MTD return has been completed before signing up
  - **Sign up for Direct Debit Payers closes 27/02/20**
  - Not a DD Payer? Sign up at least 72 hours before filing

- **If you file Nov19 - Jan20 return early make sure you’ve signed up in good time**
  - Direct Debit payers - check that payment for the final non MTD return has been completed before signing up
  - **Sign up for Direct Debit Payers closes 27/02/20**
  - Not a DD Payer? Sign up at least 72 hours before filing

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Official | Deferred Businesses - Signing Up to MTD VAT at the right time
Sign up not possible for DD payers
Only sign up for MTD VAT in December if you file Sep-Nov 19 return early and don’t pay via Direct Debit
You must still allow at least 24 hours after filing before sign up

File Sep – Nov 19 return by 7 January
Direct Debit payers - check that payment for the final non MTD return has been completed before signing up
Not a DD payer?
Allow at least 24 hours after filing before sign up

If you file Dec 19 - Feb 20 return early make sure you’ve signed up in good time
Direct Debit payers - check that payment for the final non MTD return has been completed before signing up
Sign up for Direct Debit Payers closes 30/03/20
Not a DD Payer? Sign up at least 72 hours before filing

If you file Dec 19 - Feb 20 return early make sure you’ve signed up in good time
Direct Debit payers - check that payment for the final non MTD return has been completed before signing up
Sign up for Direct Debit Payers closes 30/03/20
Not a DD Payer? Sign up at least 72 hours before filing

My first quarterly MTD submission as a deferred business will be December 2019 – February 2020

HMRC recommends you complete sign up in the green zone for a smooth transition.
Signing up in the amber zones needs greater care or may not be possible.

Return to Sign Up Menu

Return to Start

Press Escape to close this document
My first monthly MTD submission as a deferred business will be 1st – 31st October 2019

HMRC recommends you complete sign up in the green zone for a smooth transition. Signing up in the amber zones needs greater care or may not be possible.

November 1 - 7
End of submission period for September 2019
Direct Debit payers must wait till their payment cycle completes – sign up not possible
Not a DD payer? Allow at least 24 hours after submitting before signing up

November 8 - 14
Direct Debit Payment Period for September 2019
Direct Debit payers: Check that payment for the final non MTD return has been completed before signing up.
Not a DD payer? Allow at least 24 hours after submitting before signing up

November 15 - 27
Sign up is open to all payment types

November 28 - 29
Sign up for Direct Debit Payers closes 29 Nov 2019
Not a DD Payer? Sign up at least 72 hours before filing

November 30th to December 7th
File October 2019 return digitally via software

Return to Sign Up Menu  Return to Start