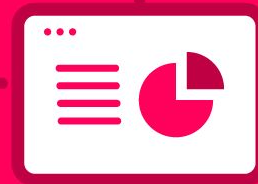


VAT reporting changes

What you urgently need to know



Hosts:
Ben Schaefer
Sales Team Manager, Crunch



Luke Young
Quality Coach, Crunch



Crunch.

Today's Webinar:

VAT reporting changes. What you urgently need to know

Send us your questions!
If there isn't enough time to answer, we'll follow up with you directly



Crunch.

Crunch provides...



Accountants & Accountancy Software



Self-Employed Mortgages



Small Business Insurance



Investments & Pensions



Client Managers



Crunch Clients



What is 'Making Tax Digital'?

- It's the Government's plan to make it easier for businesses keep on top of their tax affairs
- The first deadline is for VAT registered businesses in April 2019
- You'll need to keep real-time digital records and use an automated online system to submit and receive information with HMRC

What does it mean for my business?

- You need to start preparing!
- If you're VAT registered then start using software now, as deadline is 1 April 2019
- Deadline is further away for other taxes, or if you're below VAT threshold
- It means that paper records are no longer acceptable
- Excel or other spreadsheets need to be API enabled (able to connect and submit return via a "Digital link")

What records to keep digitally?

Designatory data:

- Business name
- Address of your principal place of business
- VAT registration number
- A record of any VAT accounting schemes used

For each supply you make:

- The time of supply
- The value of the supply
- The rate of VAT charged

For each supply you receive:

- The time of supply
- The value of the supply including any VAT that isn't claimable
- The amount of input tax that you will claim

Your VAT account, including:

- The output tax due on sales
- The output tax due on acquisitions from other EU member states
- The tax payable on behalf of your supplier under a reverse charge procedure
- The tax that needs to be paid following a correction or error adjustment
- The input tax claimable from business purchases
- The input tax allowable on acquisitions from other EU member states
- The tax reclaimable following a correction or error adjustment
- Any other necessary adjustment required by VAT rules.

What should good software do?

- It's only VAT now - but will be more taxes eventually
- Record and preserve electronic records
- Connect digitally to HMRC using an API to transmit and receive information on these records
- Future proofing your business & online accounting can save you time

What if I'm not above the VAT threshold

- No mandatory MTD requirement
- You do need to monitor your turnover as it is rolling 12 months or within 30 day period
- If you are VAT registered - have to submit
- If not VAT registered - have more time
- Do you know what your estimated turnover is?

What happens if I'm not ready?

- There are no loopholes - everyone who is VAT registered has to do it
- You may face penalties
- There are no transitional arrangements

Get ready now!

- Break old habits - before April 2019
- Start storing your receipts electronically
- Consider moving to online accounting software that is MTD ready
- Get checks and balances in place to monitor your turnover
- Should you be VAT registered? You need to decide what VAT scheme to be on



Crunch Chorus

A free community empowering the self-employed and small business owners. We've helped over 50,000 people.

Access to webinars, business guides, invoicing software and document templates.

Regular meetups and events, giving the self-employed the chance to meet like-minded people.

A range of benefits, including exclusive discounts on products and services.

crunch.co.uk/chorus

Crunch.

Recommended resources

- [Flat Rate or Standard? VAT Registration explained](#)
- [What are the benefits of a sophisticated online accounting system?](#)
- [Tax rates, thresholds, and allowances for 2018/19](#)
- [Government's summary of MTD](#)