

## MTD for VAT – Now is the time

### 50% of organisations not ready for MTD for VAT

Making Tax Digital (MTD) is upon us but 50% of eligible businesses have yet to embark upon the compliance process, according to the [Tax Professionals Survey 2019](#). For these businesses, time is now of the essence: it is vital they begin to implement the necessary technology and processes to ensure compliance. However, many are still grappling with fundamental questions around:

- Supporting digital record keeping
- Converting spreadsheet-based systems to meet HMRC's API filing requirements
- Implementing digital links throughout the VAT reporting process by April 2020
- Maintaining access to Business Tax Account data housed on the now defunct HMRC VAT portal

### Wants and needs...

The survey found that nearly 70% of businesses want to pre-test their submissions processes and software, but the vast majority (85%) were unaware an MTD software solution could facilitate this. It also revealed many are focused on short term compliance, with 41% unaware of the digital link requirement which will be mandatory in April/October 2020.

Others wanted to know if they could use the solution for broader VAT calculations, with 88% keen to automate VAT Groups, partial exemption, fuel charges etc. and over half were looking for a solution that could tackle larger or more complex data collection needs. Looking further ahead, nearly 40% wanted a solution that would lend itself to future MTD obligations such as corporation tax removing the need for new software purchases.

### Evolving with your needs – AlphaBridge

To meet present and future MTD requirements, many businesses will require more than a basic bridging solution. They will need an offering that is built specifically to scale to meet digital regulatory changes. AlphaBridge provides a simple pathway to compliance, ensuring your business can evolve at its own pace.

AlphaBridge from Tax Systems is an HMRC approved MTD for VAT solution which provides the mandatory digital link between the VAT calculation spreadsheet and HMRC. AlphaBridge populates the nine fields of the VAT return using sales and purchase ledger data input from your excel spreadsheet which, for ease of use, can be integrated with your existing VAT calculation workbook. It then submits and verifies receipt of the return via the HMRC API.



## Andy Mills

### Tax Systems

Andy Mills is Commercial Director at Tax Systems. Andy is leading the MTD Technology engagement with clients, providing pragmatic guidance on simplifying the path to compliance.

Outside of the basic requirements for MTD, AlphaBridge also has a number of capabilities that makes it stand out from many of the other MTD software solutions. These include:

**Pretesting** – In answer to the demand for a test submission process, AlphaBridge incorporates a Demo Entity and Simulated Submission feature. This allows your business to create “test” entities and simulate the end-to-end returns submission process, ensuring the business is ready to commit to MTD and can time its submission accordingly to avoid incurring penalties. This feature also ensures staff can familiarise themselves with the system and its data management features.

- **Secure MTD compliance portal** – As the HMRC VAT portal is now closed to MTD registered businesses, you will probably want to retain access to the historic MTD data associated with your HMRC Business Tax Account/s. AlphaBridge replaces the HMRC portal with a new MTD Compliance Portal which effectively combines Business Tax Account data with that posted via the Tax Systems API to create a secure go-to resource. The portal allows the user to view past, present and future obligations, as well as payments and liabilities. Summary data and other digital VAT records can also be stored here and the system can flag data or trigger alerts for submission deadlines.
- **Dedicated Access Rights** – User and entity management is provided allowing multiple VAT entities to be managed via a single system and made accessible to specific users. Users can be assigned role-based access (ie superuser, sys admin etc) or restricted access (read only, edit, edit and submit, submit only). Restricting access ensures data integrity is protected and accuracy preserved, reducing the capacity for error.
- **Digital links** – The implementation of digital links is supported by data collection processes that automatically mine data from accountancy and ERP systems. AlphaBridge is able to access transactional data which is automatically extracted at source by

our AlphaConnect software removing the need for manual data collection processes.

- **Futureproofing** – From 2021 other taxes will be brought under MTD. AlphaBridge provides a springboard to future compliance needs as a part of our AlphaVAT suite of products. Beyond providing end-to-end digital links in 2020, the AlphaVAT suite can automate VAT calculations including group consolidations and partial exemptions and also support businesses with large transactions volumes and complex data collection environments. Additional data pools created in the digital links process can be utilised for future digital tax reporting such as corporation tax.

### Compliant, versatile and future proof

AlphaBridge offers a versatile solution for MTD for VAT that ensures the business is compliant today and in 2020, can access all relevant information via a single location, and acts as a springboard for future compliance. It provides the means to scale to meet further regulatory demands by integrating with AlphaConnect to establish digital links and AlphaVAT to automate calculations and data collection.

### Costs

AlphaBridge is available in various configurations to suit your needs. To take advantage of the MTD Compliance Portal and pave the way for future MTD requirements, costs begin at £650 for the portal and then £100 per VAT registration number (VRN).

### Find out more

To find out how AlphaBridge can make you MTDfV compliant in minutes, contact us today on **01784 777 700**. To see how AlphaBridge acts as a springboard to compliance, check out our '[Digital as a Destination](#)' whitepaper. Or, for more information on MTD, please see our [MTD Resource Centre](#).



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