

## **Making Tax Digital (MTD)**

### **Making MTD Easier**

Further to our first briefing earlier this year in relation to new filing requirements with H M Revenue & Customs (Client Briefing 1), our second briefing looks at steps we have taken to ease the processes involved in meeting the filing requirements.

Whilst an H M Revenue & Customs Treasury Statement issued on 13 July 2017 confirmed that digital quarterly reporting will only initially cover VAT registered businesses (from April 2019), Ashdown Hurrey is continuing to prepare to meet the requirements as and when they come into force.

As with the annual returns currently filed, the new more regular quarterly submissions will ultimately be the responsibility of the taxpayer, therefore we need our clients to approve all submissions to the authorities.

It is twelve months since we introduced an electronic document management system enabling us to save correspondence, working papers and accounts electronically in a file specifically for each client. A paperless office! Or at least a paperlight environment is our ultimate goal.

It is now even easier for us to communicate with clients who prefer the on-line approach. Our client communication portal allows us to send documents on-line to review and approve as required. Electronic approval avoids the need for bulk paper packages to be posted to and from clients, or indeed documents sent by email to be printed, signed and returned. Instead, a link is sent via email from the Ashdown Hurrey portal inviting the client to set up a password to view their documents and, where required, to approve them. Within minutes of approval, we will receive notification that the documents have been approved.

Documents are held in an environment where only the recipient can gain access to them. Multi-layer security and multiple firewalls provide top-level protection for your data. This is also quicker and safer than traditional mail.

The system automatically guides users to the next document to view and approve. Once complete, we receive notification straight away that the process has been completed, so no further action is required on the part of the client. Using bank-level AES-256 bit encryption, every file transmission is secure and in full compliance with data protection laws.

After a period, usually thirty days, the documents will be removed from the portal. However they can be downloaded to your own device if you wish to keep a copy. We can also send final copies of documents using the portal, which is more secure than sending by email. If you haven't downloaded a permanent copy to keep, we can always republish at a later date if needed.

The changes to data protection laws mean that from May 2018, email will not be a viable option for sending sensitive data and it is prudent to have systems in place well before this date.

Although taxpayers cannot choose whether to file or not under H M Revenue & Customs' new regulations, it is our clients that we serve and we can give clients the choice as to how we communicate. Those that still prefer to receive documentation in the post will see no changes and can request not to use our new on-line portal.

We recognise that whether we want it or not, digital communication will become the norm, so we encourage clients to take this opportunity to work digitally in a supportive and understanding environment.

Our next briefing will look at Cloud accounting and the benefits over more traditional ways of record keeping.

August 2017