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Chartered Accountants and Tax Advisers
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Making Tax Digital step by step sign up process

Make sure you sign up at certain points at the end of one month and the start of the next, HMRC closes the signup system to ensure that any direct debits are transferred across in time to make a payment for the VAT return. This is usually the last week of the current month and the first week of the next month. Therefore, if you need to sign up for MTD please do so between the 8th and 23rd of any month to ensure that you are not trying to sign up in the close down period. We advise businesses to complete the process as early as possible in the VAT return period that they are needing to file the return for, rather than leaving it to the month in which they actually need to file.

1. Ensure you have compatible software

Instruction:

If you are unsure what software you require, then contact a reputable accountant or choose one from the list on this link: <https://www.gov.uk/guidance/find-software-thats-compatible-with-making-tax-digital-for-vat>.

Note:

If the software that you are using is not on this list, it will not be able to file your return as it has not been tested by HMRC. There are about 300 different packages on the list and the filter is not set to help you choose easily. Therefore, if you are not sure, contact an accountant!

2. Gather together your information

Instruction:

Make sure you have the following information to hand. (The sign-up system is sensitive and times out after a relatively short period of time and you then become stuck in a loop!):

- a) a Government Gateway user ID and password (If you are new to VAT filing, you will need to set this up via the following link:
<https://www.access.service.gov.uk/registration/email>)
- b) VAT registration number (you will find this on your VAT registration certificate)
- c) Effective date of registration (You will find this on your VAT certificate)
- d) Unique Taxpayer Registration number (either under your self-assessment or corporation tax reference. Partnerships will need the UTR of the partnership. UTRs can be found on correspondence from HMRC)
- e) Company name and number (Companies and LLPs). You can find this at Companies House.
<https://beta.companieshouse.gov.uk/>
- f) National Insurance Number (Sole Traders)

Note:

How to find your VAT registration certificate:
Log in to the HMRC account that you previously filed your VAT returns and print a copy of your VAT registration certificate. Then log out again. (The certificate may not be visible in your account once you have started the sign-up process!)

3. Sign up for Making Tax Digital

Instruction:

Click on the following link to start the sign-up process:
<https://www.gov.uk/guidance/sign-up-for-making-tax-digital-for-vat>

At certain points at the end of one month and the start of the next, HMRC closes the signup system to ensure that any direct debits are transferred across in time to make a payment for the VAT return. This is usually the last week of the current month and the first week of the next month. Therefore, if you need to sign up for MTD please do so between the 8th and 23rd of any month to ensure that you are not trying to sign up in the close down period. We advise businesses to complete the process as early as possible in the VAT return period that they are needing to file the return for, rather than leaving it to the month in which they actually need to file.



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Once you have completed all of the details, you should receive an automated message stating that it could take 72 hours for the process to be completed and that you will receive an email confirming this.

4. Link your software to your Making Tax Digital account with HMRC

Instruction:

This is done via the accounting software itself and each package is different.

5. Authenticate the software

Instruction:

The software link should take you to a page on the HMRC website that will ask you for a mobile or other device to send a verification code to. ON receipt of the code, please enter it where specified. This is your authentication token and is valid for 18 months. Once the 18 months has expired, you will need to re-authorise your software.

6. File Making Tax Digital VAT return

Instruction:

Once you receive the token, your software should be linked and you should be able to file MTD VAT returns

7. Pay the amount of VAT that is due

Instruction:

In the event of any difficulties, however, HMRC advises that you pay the amount of VAT that is due on the return by the normal due date. This will avoid penalties being levied for late payment. Once the payment has been made, it should give you more time to file the return!

HMRC external loop

There have been some clients who have experience HMRC's external loop. If you have gone through the signup process and did not receive a message stating that HMRC will confirm your signup in the next 72 hours and have been sent back to the start of the signup process there are a few steps you need to try. The way around this is to clear your browsing history and cookies (especially if you are using Internet Explorer) and then try the process again. If the problem continues then please try again using a different browser such as Firefox or Google Chrome.

Note:

In some cases, it has taken 5 working days to receive this email. If you use Mimecast as your firewall, it may automatically block the confirmation email as it comes from a “No reply” email address. Therefore, you may wish to use a personal email address and then change the contact details after sign up!

Note:

If it is not obvious from your software that there is a link, then you may need to seek further guidance from the software provider or your accountant!

Note:

Similarly, if you decide that you want an accountant or other agent to file your VAT returns, that person will need to authenticate the software. This will need some contact with HMRC to do!

If you have any questions or concerns about the sign-up process or MTD in general, our MTD Guru Ruth Corkin is here to help. Get in contact on ruth.corkin@hhllp.co.uk or +44(0)330 024 3200.

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