

MTDfB – What are Digital Records?

1. MTD compatible software/apps

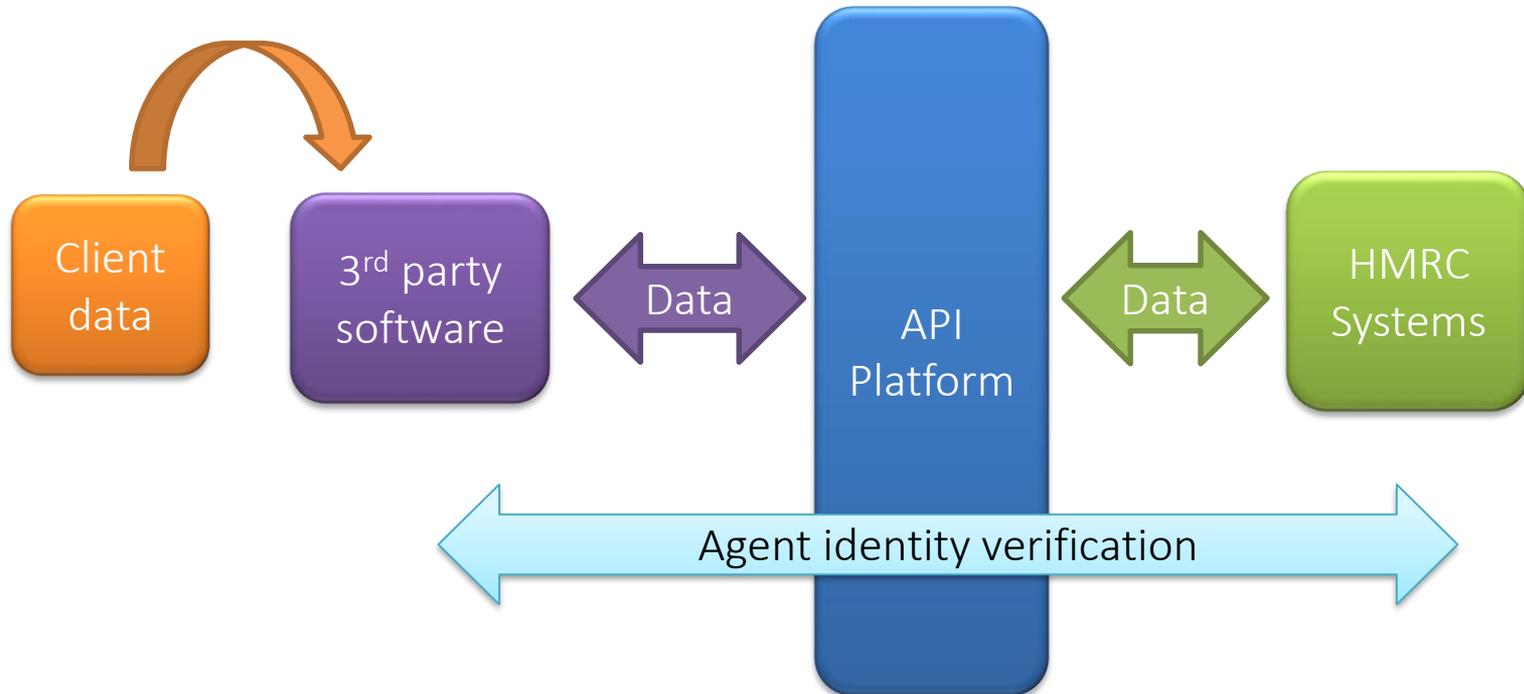
- Software to include prompts/nudges(?)
- Electronic storage of invoices not required
- Register published by HMRC
- Free software – *limitations*
- HMRC will not be developing own in-house software

2. Spreadsheets

- Need software to interact with HMRC systems

Key mechanism is *Application Programme Interface (API)*

What is the API Platform?



HMRC recorded webinar on APIs:

<https://attendee.gotowebinar.com/recording/8378580254624317441>

Exclusions from Digital Record Keeping

- Exemptions for *Digitally Excluded* (on application)
 - Religious belief
 - Age
 - Disability
 - Geography
 - Charities/CASC (corporation tax, not VAT if turnover > £85,000)
- Income exemptions – level to be determined
 - Potential exclusion for small businesses
 - ‘Early years’ exclusions
 - Large/complex partnerships

MTDfB - Agent Services

- New 'Agent Services Account' required
- Migrate existing clients across

Future developments:

- Delegate access
- 2 Step Verification
- Helpful overview on Agent Talking points, March 2017
<https://www.gov.uk/government/news/webinars-e-learning-and-videos-if-youre-a-tax-agent-or-adviser>

MTDfB - Penalties overview

Two potential areas for penalties:

1. Failure to keep records digitally for Income tax
 - Proposal is £3,000 based on 'old style' failure to keep records
2. New regime needed for new, quarterly filing patterns:

Expecting a 12 month grace period before penalties imposed