

# ABC ACCOUNTS

## Guide to Making Tax Digital (MTD)

with ABC6



## Installation

ABC6 Versions above 6.600 already have MTD built-in so there is nothing to install.

Upgrading older copies of ABC6 to the MTD enabled version can be done by installing from a CD or by downloading latest update from the ABC website.

Your existing account files are not affected. The upgrade can be installed at any time. If you have several companies set up in ABC you still only need to upgrade once.

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# Making Tax Digital with ABC

## Introduction

Making Tax Digital (MTD) is the name of the government's plan to force everyone to keep computerised records and use software to directly submit details to HMRC. The full implementation has been postponed, but VAT Returns using MTD were required from 1st April 2019.

## MTD requires you to:

- i) keep records digitally (ABC has always done this)
- ii) submit VAT returns using software approved for MTD (ABC is approved by HMRC)

With ABC, there is no difference in the way you enter transactions during the month. The only difference with MTD is the way the VAT Return gets submitted to HMRC.

## To get started with MTD there are two stages:

1. Sign up for MTD at HMRC
2. Tell ABC you want to use MTD.  
*(if you have several companies set up in ABC, you need to do this separately for each company. For example, only some companies may need to use MTD.)*

# 1. Sign up for MTD

## Before you start

**Once you have registered for MTD, you cannot send VAT Returns the old way (they will be ignored).**

- i) You must have sent your final non-MTD VAT Return.
- ii) If you pay by Direct Debit, wait at least 7 days since your last VAT Return was due.
- iii) Ensure you have the following to hand:
  - Your Government Gateway user ID and password (these are what you have always been using to submit VAT Returns).
  - Your unique taxpayer reference (UTR) number of the business
  - Your company number (if you are a limited Company)
  - Your VAT Registration Number.
  - Your mobile phone (to receive access code) if you've linked this to your account.

## Sign up

Visit [www.gov.uk](http://www.gov.uk)

type VAT in the Search Box and press ENTER

Click Sign up for Making Tax Digital for VAT

Click Sign up your own business.

tick the box YES I have accounts software, and click CONTINUE.

tick the box YES my software submits Making Tax Digital for VAT, and CONTINUE.

Enter your Gateway ID and password, and click SIGN IN.

The remainder may vary slightly for different businesses, but just follow the screen prompts for the rest of the steps.

At the end HMRC will email you confirmation that you are signed up for MTD. This may take a day or so, but usually it is quick.

## 2. Tell ABC to use MTD

### Switch over to MTD.

From ABC Main Menu > Nominal Ledger > VAT Return  
> OPTIONS tab page

Tick the box I WANT TO START USING MTD for VAT.  
(and then exit from VAT Return. When you go to VAT Return again it will show the slightly different MTD VAT screen).

## 3. Tell HMRC to authorise ABC

**Before you can send your first MTD VAT Return you need to get ABC authorised to connect to your HMRC VAT Account.**

Nominal Ledger > VAT Return > OPTIONS tab page

click AUTHORISE ABC TO SEND VAT RETURN

This opens your browser and takes you to the HMRC website;  
log in with your Gateway ID and Password,

Continue on to the second or third page,  
and click the button to Authorise ABC.

Close the browser when you've done this.  
ABC should then show that it authorised.

You are now able to submit VAT Returns for MTD.

### **This Authorisation Expires after about a year:**

When this authorisation expires, you can simple renew it following the procedure above. (more details on page 7)

# To submit a VAT Return

Nominal Ledger > VAT Return

click GET OPEN VAT RETURNS

*Note: Previously, YOU decided which VAT Period you wanted to submit. Under MTD you can only submit a VAT Period that HMRC says is due.*

ABC shows which VAT Return(s) HMRC regards as “Open” ie due.

*You might have more than one VAT Period still outstanding. ABC will display up to 3 at a time. Select the one for which you want to send a Return.*

You can then GENERATE AND VIEW the VAT Return, and if happy with the figures go to the ONLINE tab page, read and tick the Declaration box, and click SEND VAT RETURN.

*It may take a few hours for HMRC to update your VAT Account. So if you check if your VAT Return is due within this time, it may still show the VAT Return is due.*

*If you send the VAT Return again, HMRC have told us it will be ignored.*

## To check if the MTD system is working

(without sending anything), you can click CHECK OPEN VAT RETURNS. If ABC shows a VAT Return is due, or says none is due, then all is working OK.

## VAT Registration number

ABC checks and reformats your VAT Registration number before sending MTD VAT Returns. This means you can store it in ABC with Country Prefix or spaces (eg GB 123 456 78) and this is how it will be printed on invoices (optional).

## Authorisation Expires

When you go to HMRC website and authorise ABC to send your VAT Return (see page 5) this Authorisation only last for about 15 months; then it expires and you need to do it again.

If you have previously been successfully submitting MTD VAT Returns but suddenly you get the message “Authorisation not valid” or similar, the likely cause is that it has expired.

Although the Authorisation usually lasts a year or more, HMRC’s website occasionally cancels an authorisation at random for no apparent reason.

To renew the Authorisation, go to the OPTIONS tab page in the ABC VAT Return and click CANCEL OR RENEW AUTHORISATION. Exit from the VAT Return and then go back into it. Just follow the procedure (see page 5) to Authorise ABC. It only takes a minute.

## Bugs and errors

It is unlikely but possible minor bugs or problems may be found. It is therefore important that you update your ABC from our website.

You will receive updates automatically if you have paid for support (and you can purchase just one month support if you don’t require annual support).

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