

Make sure you are registered for MTD with HMRC!

How to do this;

- 1) Before you start, you will need your Government Gateway ID and password. These are details that you should already have, in order to submit your current VAT Returns to H M Revenue & Customs (HMRC). You will also need your VAT number.

Please then click on the link below:

<https://www.gov.uk/guidance/sign-up-for-making-tax-digital-for-vat>

The screenshot shows the 'Sign up your business' section of the HMRC MTD sign-up page. It contains two main links: 'Sign up your business for Making Tax Digital for VAT.' and 'Sign up your clients if you're an agent'. Below the second link, there is a note: 'If you're an agent, use the Government Gateway user ID you got when you registered for an agent services account.' and another link: 'Sign up your clients for Making Tax Digital for VAT.'

and **'sign up your business for Making Tax Digital for VAT'**

- 2) If you are unsure of the next step, please contact us. If you are using Xero or have been in touch with us re. updating your software for MTD then the answer to the next two questions is YES!

The screenshot shows the first question on the HMRC MTD sign-up page: 'Do you have accounting software for managing your VAT records?'. There are two radio button options: 'Yes, I have accounting software' (which is selected) and 'No, I do not have accounting software'. A green 'Continue' button is visible below the options, along with a link to 'Get help with this page.'

The screenshot shows the second question on the HMRC MTD sign-up page: 'Is your software ready to submit your Making Tax Digital for VAT Returns directly to HMRC?'. Below the question, it states: 'Your software must work with Making Tax Digital for VAT. You must check with your provider that your accounting software is ready to submit your VAT Returns directly to HMRC.' There are two radio button options: 'Yes, my software submits through Making Tax Digital for VAT' (which is selected) and 'No, my software does not submit through Making Tax Digital for VAT'. A green 'Continue' button is visible below the options, along with a link to 'Get help with this page.'



- 3) Now you need your Government Gateway ID and password. There may be additional security information, that you may need to set up. This is standard procedure if you haven't logged in before via the Government Gateway.
- 4) There will then be a couple of questions, unique to your business;
 - Do you have more than one VAT registered business?
 - What type of business are you registered as?
 - If you're a Limited Company, you will need your Company number and Company's Unique Tax Reference. If you're a Sole trader, you will need your National Insurance number and Date of Birth.

If the correct details have been entered, you should then be able to confirm your business name.

Any direct debits currently in place will need agreement before transferring over to the new system.

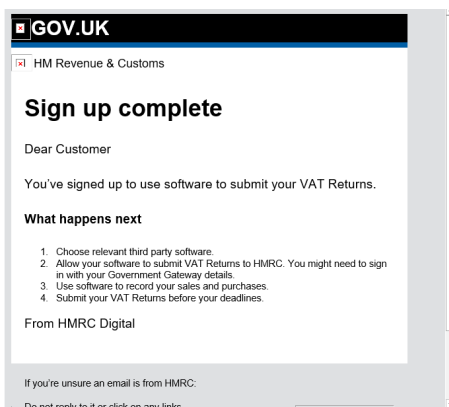
An email should then be received within the next 72 hours confirming that as a Company, all future VAT Returns will be filed under MTD.

You are now registered with HMRC, see the next step for ensuring your software is ready!

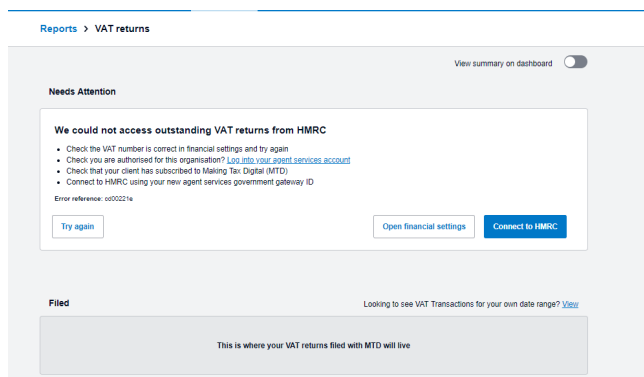
Authorise Xero to submit your VAT Returns under MTD

ALTHOUGH AS YOUR ACCOUNTANT WE HAVE ACCESS TO YOUR XERO ACCOUNT, WE WILL NOT BE ABLE TO VIEW YOUR VAT RETURNS UNDER MTD. **PLEASE CAN YOU PROVIDE YOUR VAT NUMBER AND DATE OF VAT REGISTRATION**, WE WILL THEN SEND YOU A LINK FOR YOU TO FORMALLY APPROVE THE AGENT AUTHORISATION REQUEST.

Following the registration with HMRC, you should then receive the following email from HMRC – it can take up to 72 hours.



- 1) Log in to Xero as normal, and go to reports and run the VAT Return report as normal. Click through the steps to 'set up MTD for VAT in Xero'. The following screen should come up at the end. Click **'Connect to HMRC'**.



- 2) This will transfer you to the HMRC website, where you need to provide your authority for Xero to interact with HMRC. Please click 'continue' at the bottom of the page. You will then be taken to the usual login screen to enter your usual HMRC credentials.

GOV.UK
HM Revenue & Customs

Authority to interact with HMRC on your behalf

XeroMTDVATHub needs permission to interact with HMRC on your behalf. To grant this authority, you'll need to:

1. Sign in to your Government Gateway account.
2. Enter the 6 digit access code we'll send to your mobile phone, landline or other device.
3. You might need to confirm who you are by answering some security questions on, for example, your passport, P60 or other documents.
4. Grant authority for this software to interact with HMRC on your behalf.

This authority will last for 18 months. You can [remove this authority](#) at any time.

If you're an agent

To use the Making Tax Digital APIs, sign in with the user ID and password for your agent services account.

To use the APIs that pre-populate a Self Assessment return, sign in with the account that's enrolled for Self Assessment for Agents - it's the same account you use to access the HMRC agent portal.

[Continue](#)

- 3) After entering your usual HMRC credentials, the next step is to 'Grant Authority'.

GOV.UK
HM Revenue & Customs

Authority to interact with HMRC on your behalf

The XeroMTDVATHub software application is requesting to do the following:

- View your VAT information
- Change your VAT information

It will be able to do the above for 18 months from when you grant authority.

[Grant authority](#)

- 4) You will then be taken straight back to Xero. All your future VAT Returns will now be compliant with MTD.

Digital (MTD)
Easily review and adjust your VAT information and submit VAT returns directly to HMRC.

VAT information from HMRC as of 01 Apr 2019 View summary on dashboard

Needs Attention

01 Jan 2019 - 31 Mar 2019	View	Review
01 Apr 2019 - 30 Jun 2019	View	Review

Filed Looking to see VAT Transactions for your own date range? [View](#)

This is where your VAT returns filed with MTD will live

By remaining connected to the HMRC MTD system, the Xero service will engage in on-going communications with HMRC systems. These communications include sending submission content, and download data such as IP address and other metadata as is required to be sent to HMRC for security and fraud prevention purposes. To learn more, [visit HMRC](#).

[Download MTD VAT returns](#)