



HM Revenue
& Customs

Making Tax Digital for VAT- Deferred Businesses

When is the right time to sign up?

A small number of businesses were advised they could defer signing up to Making Tax Digital for VAT until the beginning of their first accounting period that begins on or after 1 October 2019.

The following advice will help those businesses, or their agents, ensure they sign up for MTD at the right time

Select the boxes below for more information (selecting “Return to Start” will bring you back here)

When should you sign up a business for MTD? Are there any restrictions?

When is the right time to sign up? (Sign Up Menu)

When should you sign up a *deferred* business for MTD? Remember, HMRC won't do this for you.

In the examples in this guide, HMRC recommends signing up in the **green zones** of the timelines.

This should make things straightforward, regardless of how you pay or when you file your return.

Signing up in the **amber zones** needs greater care *or may not be possible*.

Are there any restrictions? Yes – businesses, in payment or repayment positions, must file their final non-MTD return prior to signing up.

How a business pays also affects sign up:

- Businesses that pay by Direct Debit (DD) **must** ensure payment or the repayment for their final non MTD return has been completed before signing up.
- Businesses that pay by other methods **must** allow
 - 24 hours after filing before signing up
 - 72 hours after signing up before filing via MTD

What if I'm in a repayment position? The rules are the same, incl. those for DD users; make sure the previous return is filed and paid/repaid before signing up. And see the note about **filing early***

What about late filing? Pay via DD? Filing late affects when DD payments are taken:

- DD Payments for returns ***filed early or on time** are taken/repaid 3 working days *after the filing deadline*.
- DD payments for returns filed *after the due date* will be taken/repaid 3 working days *after filing*
- Remember: Businesses that pay by Direct Debit (DD) **must** ensure payment for the final non MTD return has been completed/remitted to HMRC before signing up
- **Pay via other methods?** You must wait 24 hours after filing before signing up if you file late

A note of caution - filing your last non-MTD return late, however you pay may mean attempting to sign up in an **amber zone**.



When should you sign your business/client up for MTD?

Remember, HMRC won't do this for you.

Timelines differ depending on the frequency a business submits its returns to HMRC - **monthly** or **quarterly**

HMRC recommends you complete sign up in the **green zones** in the following examples.

Signing up in the **amber zones** needs greater care *or may not be possible*.

Select the boxes below for more detail (***Return to Sign Up Menu** returns you to this page*).

My first **monthly MTD** submission will be
1st – 31st October 2019

My first **quarterly MTD** submission will be
October 2019 - December 2019

My first **quarterly MTD** submission will be
November 2019 – January 2020

My first **quarterly MTD** submission will be
December 2019 - March 2020

*Deferred businesses can still sign up for accounting periods (monthly or quarterly) that began prior to 1st October, on a voluntary basis.
Deferred businesses must still observe the guidance shown under “When should you sign up a business for MTD? Are there any restrictions?”*

Accounting Period Month Ending Sign up period ends

September 2019 30 October 2019

October 2019 29 November 2019

November 2019 27 December 2019



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My first quarterly MTD submission as a deferred business will be October 2019 - December 2019

HMRC recommends you complete sign up in the **green zone** for a smooth transition.
Signing up in the **amber zones** needs greater care *or may not be possible*

Sign up not possible for DD payers

Only sign up for MTD VAT in
October if you file Jul-Sep19
return early and don't pay via
Direct Debit

You must still allow at least
24 hours after filing before
sign up

October

File July – Sep 19 return by 7 November

Direct Debit payers - check
that payment for the final non
MTD return has been
completed before signing up.

Not a DD payer?

Allow at least 24 hours after
filing before sign up

15th

November

If you file Oct19 - Dec19
return early make sure you've
signed up in good time

Direct Debit payers - check
that payment for the final non
MTD return has been
completed before signing up

Sign up for Direct Debit Payers closes 30/01/20

Not a DD Payer? Sign up at
least 72 hours before filing

23rd

December

If you file Oct19 - Dec19
return early make sure you've
signed up in good time

Direct Debit payers - check
that payment for the final non
MTD return has been
completed before signing up

Sign up for Direct Debit Payers closes 30/01/20

Not a DD Payer? Sign up at
least 72 hours before filing

January

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My first quarterly MTD submission as a deferred business will be November 2019 – January 2020

HMRC recommends you complete sign up in the **green zone** for a smooth transition.
Signing up in the **amber zones** needs greater care *or may not be possible*

Sign up not possible for DD payers

Only sign up for MTD VAT in November if you file Aug-Oct 19 return early and don't pay via Direct Debit

You must still allow at least 24 hours after filing before sign up

November

File Aug – Oct 19 return by 7 December

Direct Debit payers - check that payment for the final non MTD return has been completed before signing up

Not a DD payer?

Allow at least 24 hours after filing before sign up

16th

December

If you file Nov19 - Jan20 return early make sure you've signed up in good time

Direct Debit payers - check that payment for the final non MTD return has been completed before signing up

Sign up for Direct Debit Payers closes 27/02/20

Not a DD Payer? Sign up at least 72 hours before filing

20th

January

If you file Nov19 - Jan20 return early make sure you've signed up in good time

Direct Debit payers - check that payment for the final non MTD return has been completed before signing up

Sign up for Direct Debit Payers closes 27/02/20

Not a DD Payer? Sign up at least 72 hours before filing

February

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My first quarterly MTD submission as a deferred business will be December 2019 – February 2020

HMRC recommends you complete sign up in the **green zone** for a smooth transition.
Signing up in the **amber zones** needs greater care *or may not be possible*

Sign up not possible for DD payers

Only sign up for MTD VAT in December if you file Sep-Nov 19 return early and don't pay via Direct Debit

You must still allow at least 24 hours after filing before sign up

December

File Sep – Nov 19 return by 7 January

Direct Debit payers - check that payment for the final non MTD return has been completed before signing up

Not a DD payer?

Allow at least 24 hours after filing before sign up

16th

January

If you file Dec19 - Feb20 return early make sure you've signed up in good time

Direct Debit payers - check that payment for the final non MTD return has been completed before signing up

Sign up for Direct Debit Payers closes 30/03/20

Not a DD Payer? Sign up at least 72 hours before filing

21st

February

If you file Dec19 - Feb20 return early make sure you've signed up in good time

Direct Debit payers - check that payment for the final non MTD return has been completed before signing up

Sign up for Direct Debit Payers closes 30/03/20

Not a DD Payer? Sign up at least 72 hours before filing

March

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My first monthly MTD submission as a deferred business will be 1st – 31st October 2019

HMRC recommends you complete sign up in the **green zone** for a smooth transition.
Signing up in the **amber zones** needs greater care *or may not be possible*

November 1-7
End of submission period for

September 2019

Direct Debit payers must wait till their payment cycle completes – sign up not possible

Not a DD payer? Allow at least 24 hours after submitting before signing up

November 8-14
Direct Debit Payment Period for

September 2019

Direct Debit payers: Check that payment for the final non MTD return has been completed before signing up.

Not a DD payer? Allow at least 24 hours after submitting before signing up

November 15 - 27
Sign up is open to all payment types

November 28 - 29
Sign up for Direct Debit Payers closes 29 Nov 2019

Not a DD Payer? Sign up at least 72 hours before filing

November 30th to December 7th
File **October 2019** return digitally via software

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