

MTD for ITSA - a win-win for businesses, the accounting sector and HMRC

Rebecca Benneyworth MBE BSc FCA,

Tax consultant and lecturer





Beyond quarterly reporting, MTD's wider benefit is HMRC's ability to transform its operations. Together, they can set the stage for a more responsive and modern tax system, making our industry more efficient, accurate, and environmentally friendly.

MTD represents a significant opportunity for HMRC to transform its operations. By eliminating legacy systems and re-platforming, HMRC can streamline its processes, making them more efficient allowing them to focus on customer service and more complex issues. This digitalisation will allow HMRC to better serve taxpayers by providing real-time access to their tax affairs.



Industry transformation

Going digital has already been a game-changer for me and my clients. I've already seen a significant shift over the last few years and with the advent of MTD, we'll truly see a positive change in how businesses handle their finances and meet tax obligations.

The wider benefits offered by MTD, beyond quarterly reporting, are actually HMRC's ability to transform. This is incredibly important to HMRC and to tax practitioners. The further implementation of tools like the HMRC app will reduce the need for direct contact with HMRC. With this digitisation, I hope to gain a better view of my client's entire tax affairs as an advisor by allowing me to access information on HMRC that I can't currently see.



Benefits of going digital in action

Mandating MTD means that clients who are a bit slower in getting onto digital records will have to move. When they do, they'll have up-to-date records, better insights into their business, and improved management information. Quality and timeliness of information are crucial for business planning and decision-making.

As an accountant, digital record keeping is important to me because it means that I can advise my clients more effectively and that it's much, much easier to meet tax compliance. For one client, digital record keeping has already improved their ability to collect owed money, and another now benefits from monthly management accounts instead of year-end accounts. When planning and deciding what to do with your business, the quality of information and timeliness are so important.

I also started to cut down on using paper about five years ago, aiming to go as digital as possible. Now, my expenses on printing, paper, and postage are virtually nothing, which previously constituted a significant cost.



MTD implementation and trust

The delays in MTD have been necessary to ensure proper implementation. Being involved with HMRC on the MTD programme board, I believe the right decisions have been made despite political changes delaying announcements. These delays have allowed for necessary adjustments and improvements. Now, everyone can focus on delivering MTD effectively.

There might be a loss of trust in the software industry, but for accountants, the delays have allowed the digital environment to mature, which will make the transition smoother. It has provided more time to prepare, and the feedback from the accounting profession has led to beneficial changes in MTD's implementation.

I'm already in the private beta pilot, and I think everybody needs to put at least one client into it to gain experience with the real-world feel of MTD so that I can prepare my clients for the mandate.



Growth and scalability for the accounting sector

The ability to work remotely is essential, and this is only possible because of digital record-keeping in the cloud. It means I can offer part-time work to local mums with kids in school, who can work three or four hours a day around school time. This setup works because of digital record keeping. Without it, I would need a traditional office, increasing overheads and necessitating full-time staff.

I'm a grandmother now, but I started my business as a mum with a young family. I'm keen to offer similar opportunities to other mums. Currently, two mums work part-time for me around their kids' schedules. This model is viable only because of digitalisation. MTD will accelerate this.



The government should focus on delivering MTD. And if it needs more resources, put more resources in. It's essential that we keep the focus and do as much as we can to help HMRC by giving them the resources to digitalise as much of the tax system as we can.



Activate QuickBooks
Online Accountant for **FREE**



Want to see QuickBooks
in action? **Book a demo**
to learn more.



Refer accountant &
bookkeeper friends.
Get £200 to spend.