# Gemini Systems - HMRC Making Tax Digital (MTD) User Guide.

## Compliance with VAT Notice 700/22: Making Tax Digital for VAT

The Making Tax Digital rules apply from your first VAT period starting on or after 1 April 2019. A 'VAT period' is the inclusive dates covered by your VAT Return. [Source HMRC VAT Notice 700/22 revision 18 January 2019].

To meet this new regulatory notice, Gemini Systems have developed the MTD module. To compile the VAT returns in the finance system, allow for the uploading of manual VAT calculations from spreadsheet and complete return submissions via HMRC's MTD Api (Application Programming Interface).

The MTD module is compatible with both single and multi-company Evolution DX configurations.

**Do your users know they need to subscribe to MTD?**

Feedback suggests that some customers, who have MTD compliant software, are not aware that they still need to subscribe to Making Tax Digital to be able to submit an MTD VAT return. We would appreciate it if you would make clear in your products and guidance that unless they subscribe to the service they are not meeting their legal obligations under MTD.

It is also important to note that there are no plans to migrate customers, in bulk, after Apr 19 so they will still need to join the service. They can do this here:

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

[Source HMRC MTD Developer Update: March 2019].

Configuration.

The *Accounts* menu in Evolution now includes *VAT Returns* and *HMRC Setup*. To enable access to these new additions, check the '*Allow access to VAT returns'* switch in general user privileges. This assumes the user also has Accounts Menu access privilege.

1. HMRC Setup – grant access.

To enable submissions and replies with HMRC's api, you will need to grant access. Ensure the current company corresponds with your Government Gateway user information. You will need your gateway user and password credentials.

For multi-company setup, change to a Site, from the front screen, corresponding to each company.

(NB. When completing VAT returns in a multi-company environment, you must ensure the correct site/company is selected, as the VRN in financials is checked against, or the process will fail). This safety check will prevent misfiling.
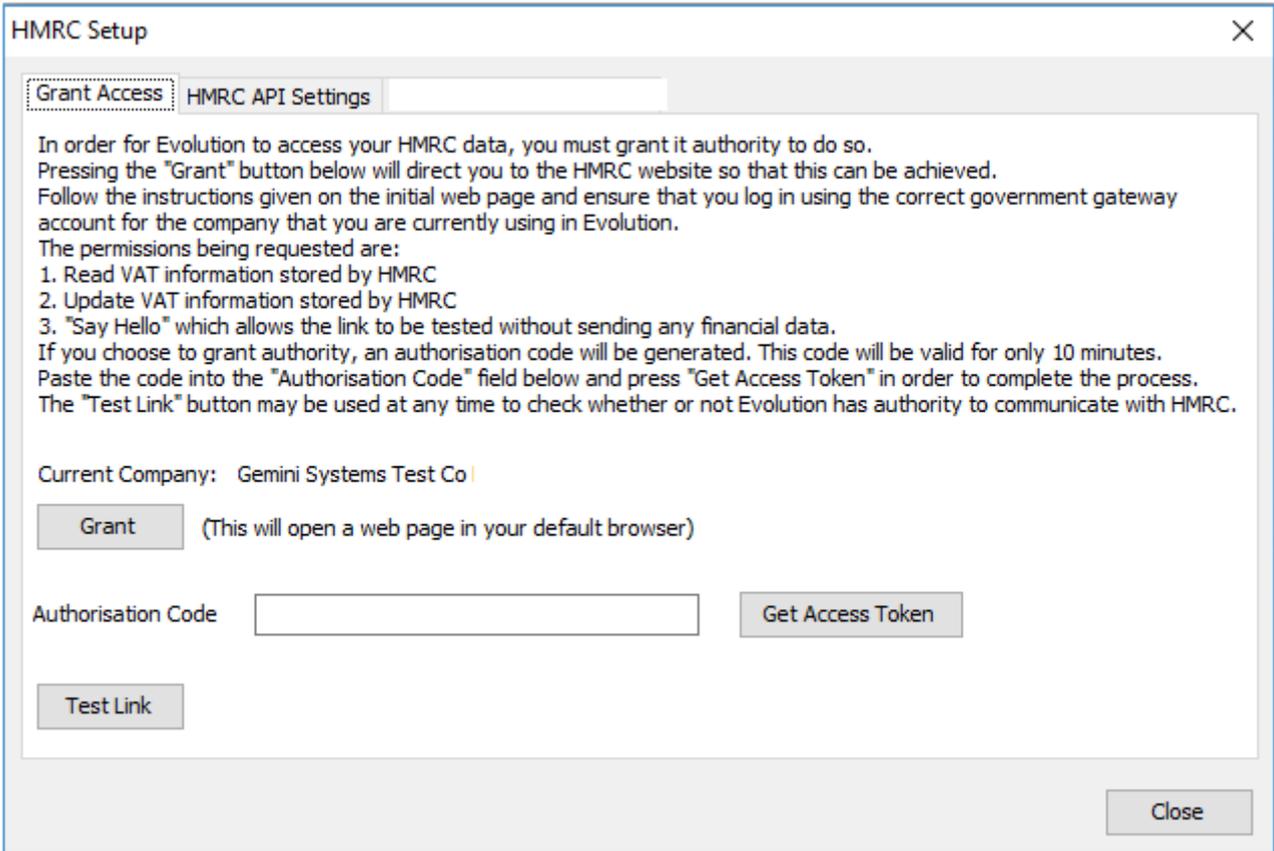
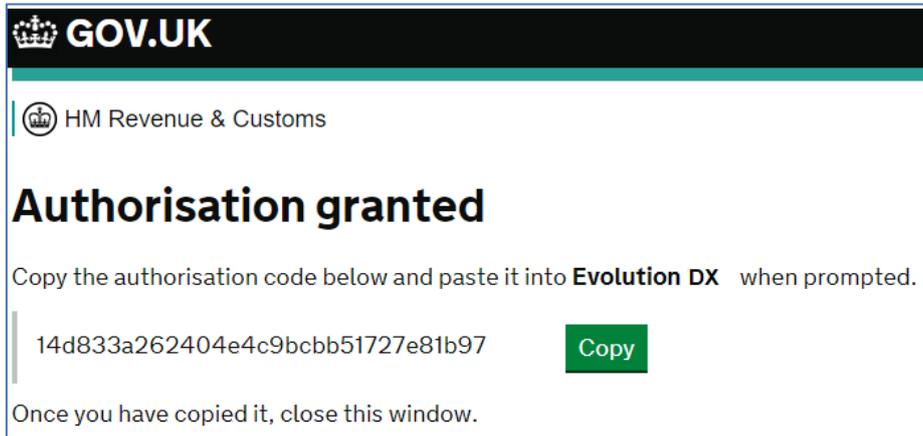Select [Grant] (This will open a web page in your default browser)
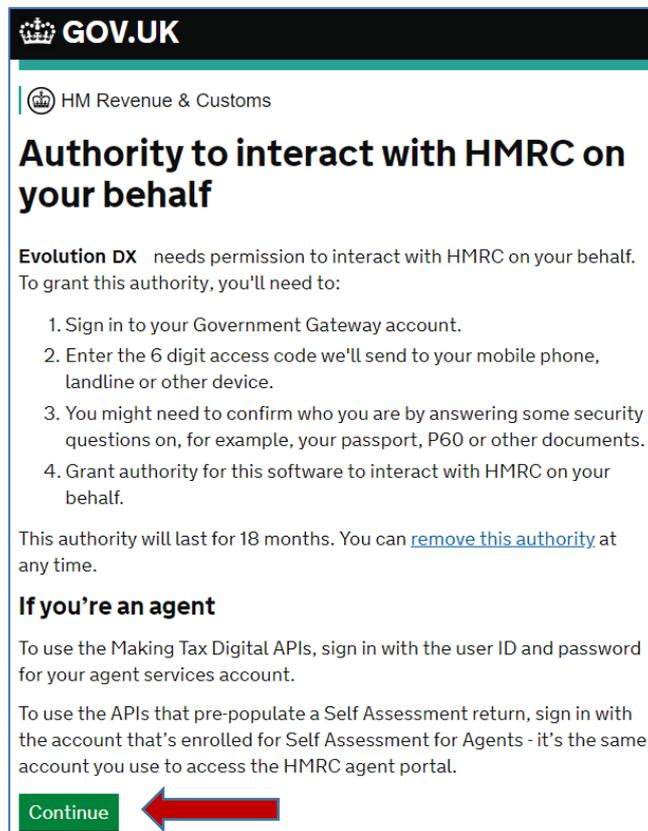


Select 'Continue'.

Enter YOUR gateway details and sign in.

This will take you to 'grant Evolution DX authority to interact'



Select 'Grant authority'.

**GOV.UK**

HM Revenue & Customs

# Authorisation granted

Copy the authorisation code below and paste it into **Evolution DX** when prompted.

14d833a262404e4c9bcbb51727e81b97     Copy

Once you have copied it, close this window.

In Evolution DX, paste the copied authorisation code and select 'Get Access Token'.



Current Company:   Gemini Systems Test Co

Grant     (This will open a web page in your default browser)

Authorisation Code     14d833a262404e4c9bcbb51727e81b97     Get Access Token
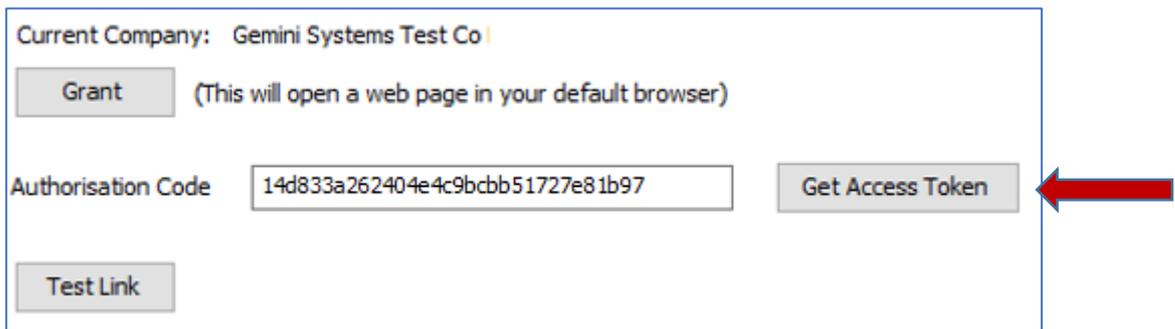
Test Link

Confirmation of request.



evowin                                      ×

Successfully requested access token
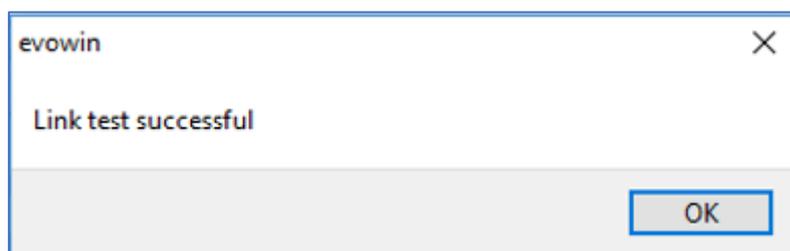
OK
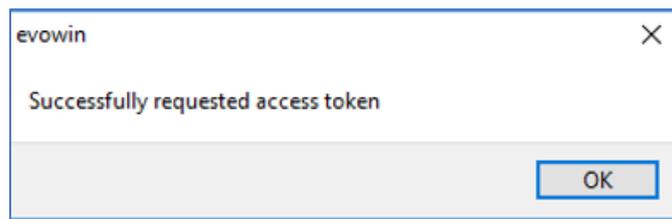
If at this stage you receive an HTTP error, you will need to start the process from the gateway login again.

Test Link if required!



evowin                                      ×

Link test successful

OK
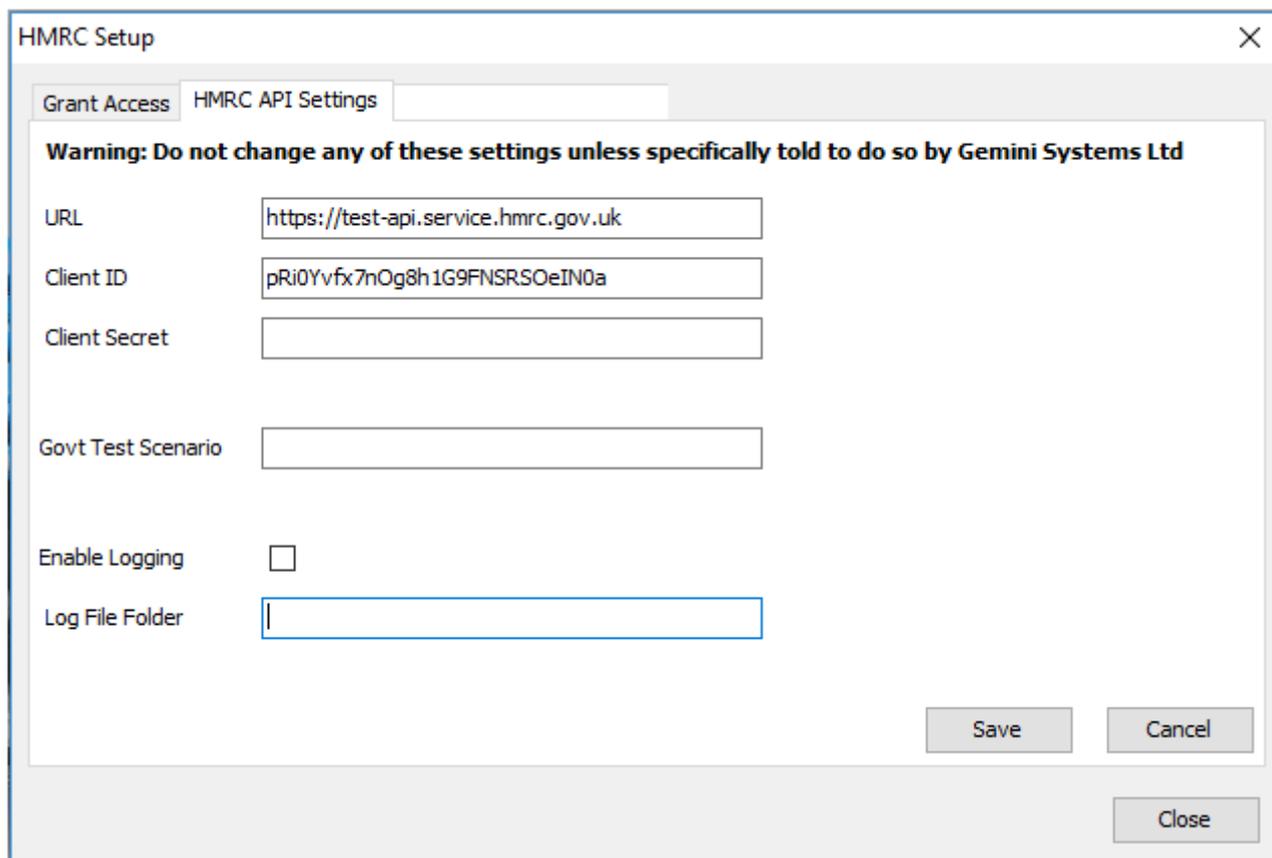
2. HMRC Setup – api settings.

These settings are only ever to be updated if requested by HMRC or Gemini Systems.

Should HMRC update any requirements directly with Gemini Systems, a member of support will contact you and implement any necessary changes using SQL scripts.



Once authorisation has been granted, the HMRC access token is valid for 18 months. If HMRC implement any changes to their API or there is a configuration change, the authorisation process may need to be completed again.

Completing VAT returns.

The MTD module will compile the return in Access Financials, complete and submit to HMRC.

Prior to carrying out the return process in Evolution, you can continue to run either Update Summary or Detailed VAT Returns for preview or export only. You will no longer use the PRINT function to complete the return in financials.

The reprinting of a completed return and all other VAT reporting will continue in Access Financials.
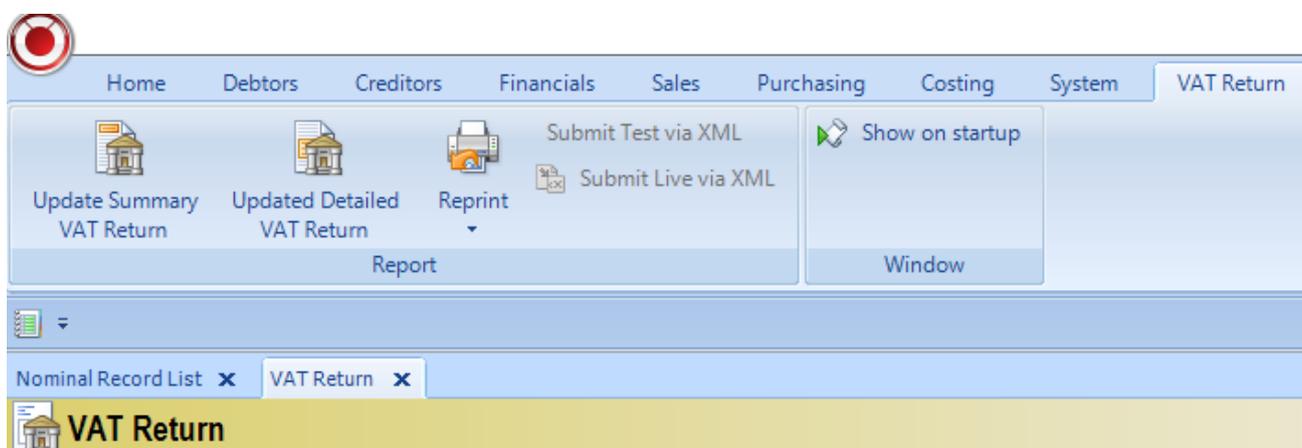
VAT Return.
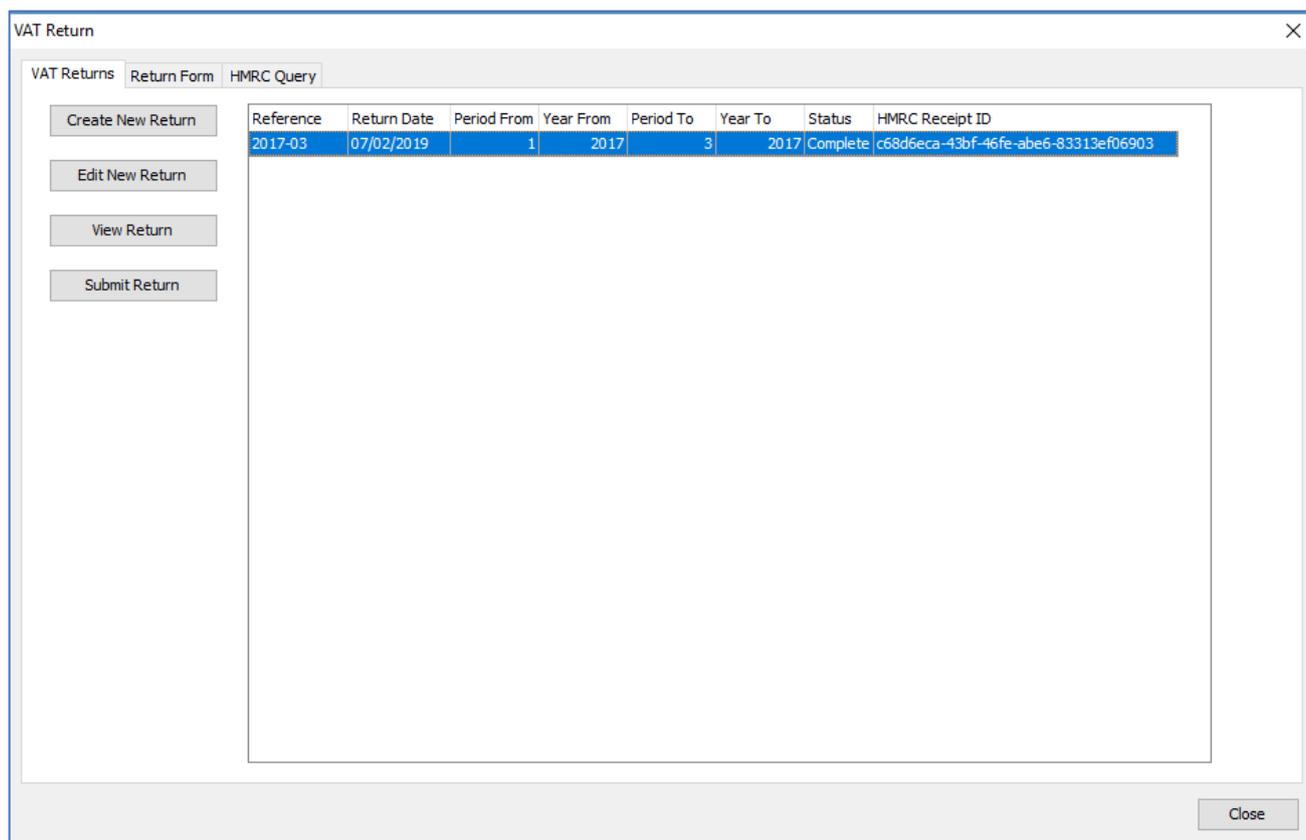


The vat return screen is set out over 3 tabs.

*VAT Returns:* - to create a new return, edit an unsubmitted return dates or reference, view (submitted or new) and submit. Once a return is submitted and receipted, it is no longer editable. The latter process also completes the return in financials.

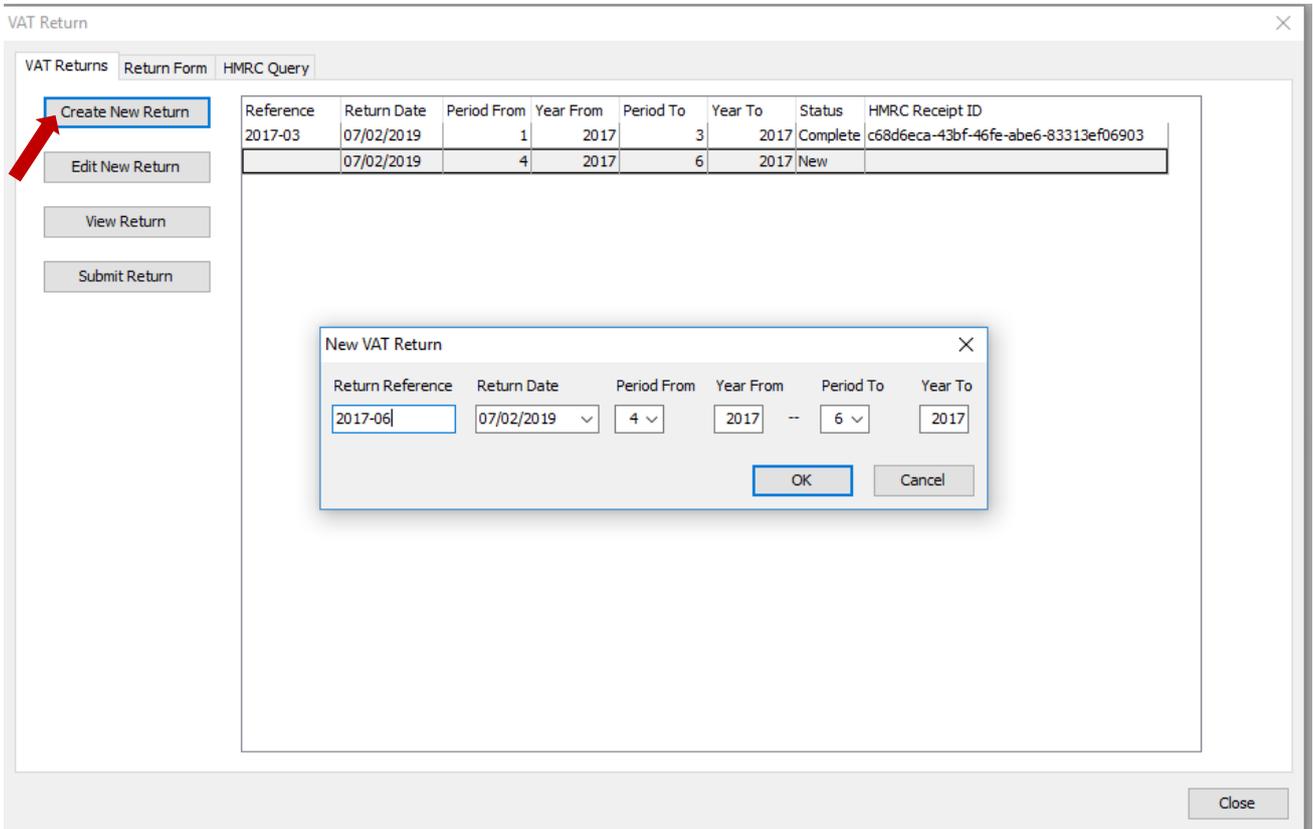*Return Form:* - displays the current return or a previous return selected on double click.

*HMRC Query:* - returns information from HMRC on vat return status, obligations, liabilities and payments.

## Process:

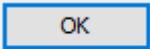Assuming that all pre return checks and preview reporting completed.

(Multi-company, ensure correct site / company selection in Evolution DX).

Create New Return.

In the dialog box, enter your return reference, date of return and the periods from and to. Periods are as per those configured as your financial periods ledger defaults.

(The dialog will prepopulate with the next period from and to from the last return submitted to HMRC).



Select *View Return* or double click on the line.

Return Form.

Displays the return ref and date, from and to periods and dates, and if a submitted return, receipt id, timestamp and payment indicator from HMRC.

Boxes 1 to 9 under *Accounts* heading, populated with the return values as broken down on the financials return preview.

*Import* heading will display the results of any 'exceptional spreadsheet calculations' uploaded.

*Submission* is the total of *Accounts* and *Import*. These 1 to 9 values are those submitted to HMRC.

As part of HMRC's requirement, all values populating the returns module must have a digital journey. As such, no 1 – 9 box fields in either column can be edited.



Any adjustments made in financials covering an open returns period can be refreshed to reflect the changes in the *Accounts* column.



This will facilitate any VR calculations required but exist outside of normal financial operations.

Providing these exceptional calculations are completed on or to a spreadsheet, they can be saved and imported as a csv file.

Click Import CSV to open the location of the csv file to import. On selection, there will be a conformity check on the VRN, periods / year and start and end markers.

An example error might be:
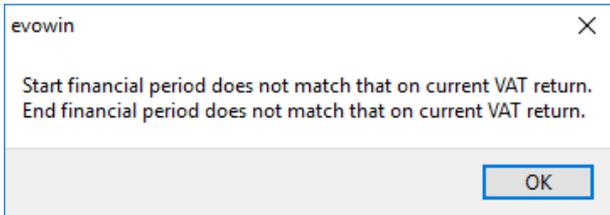
On a successful import, the follwing popup will be displayed.
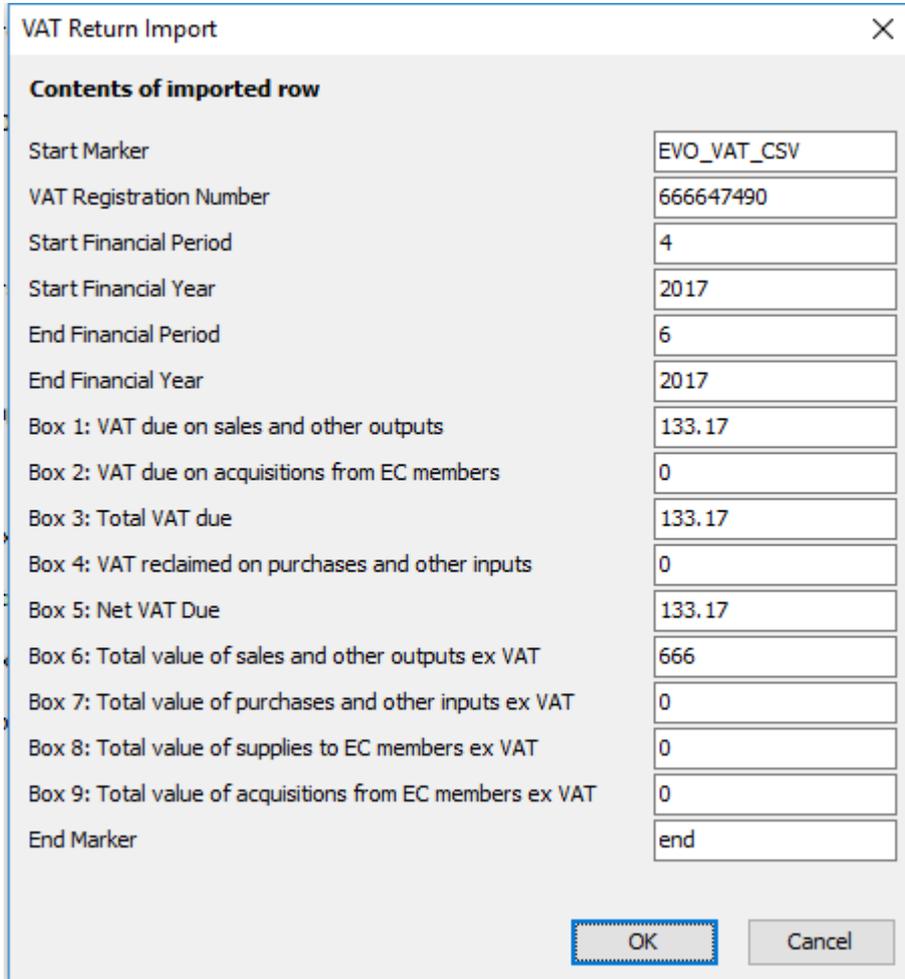


On OK, the figures will be populated to the *Import* column and calculated to the *Submission* column.

Closing out of the return form will retain the figures. You can delete and reimport the csv at any time prior to submission. Note the Import Details box below. This forms part of the digital journey recording the imported file / location, date & time and user.
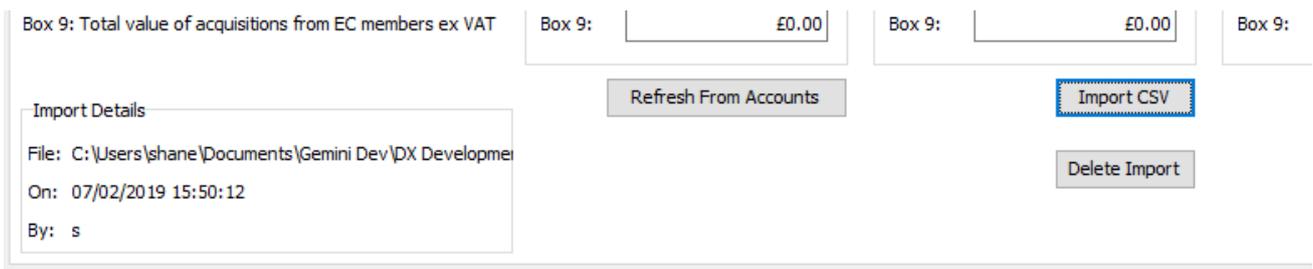
Spreadsheet Example.

| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Example VAT return import | | | | | | | | | | | | | | | | | | |
| 2 | | | | | output | output ec | input | sales | purch | ec-sales | es-purch | | | | Fuel Scale charges | | | | |
| 3 | let's say we have some calcs | | | p10 | 201122 | 10111 | 9012 | 1054655 | 54655 | 456 | 101 | | or scale charges | | Q1 | 133.17 | 665.83 | | |
| 4 | | | | p11 | 987123 | 1234 | 587 | 6124778 | 4566 | 6546 | 202 | | | | Q2 | 133.17 | 665.83 | | |
| 5 | | | | p12 | 124111 | 98712 | 45785 | 568988 | 874555 | 4577 | 303 | | | | Q3 | 133.17 | 665.83 | | |
| 6 | | | | | 1312356 | 110057 | 55384 | 7748421 | 933776 | 11579 | 606 | | | | Q4 | 133.17 | 665.83 | | |
| 7 | | | | | | | | | | | | | | | | | | | |
| 8 | The following is the row that will be imported: | | | | | | | | | | | | | | | | | | |
| 9 | start | VRN | | From Per | Year | To Per | Year | Box 1 | Box 2 | Box 3 | Box 4 | Box 5 | Box 6 | Box 7 | Box 8 | Box 9 | end | | |
| 10 | | | | | | | | | | | | | | | | | | | |
| 11 | EVO_VAT_CSV | 666117528 | | 10 | 2017 | 12 | 2017 | 133.17 | 0 | 133.17 | 0 | 133.17 | 666 | 0 | 0 | 0 end | | | |
| 12 | | | | | | | | | | | | | | | | | | | |
| 13 | | | | | | | | | | | | | | | | | | | |
| 14 | Explanation of the import Columns | | | | | | | | | | | | | Box 1 | VAT due on sales and other outputs | | | | |
| 15 | A: This is the start marker for the import row. It needs to be in column A and is needs to read "EVO_VAT_CSV" | | | | | | | | | | | | | Box 2 | VAT due on acquisitions from EC members | | | | |
| 16 | B: This is the VAT reg number. It must match that of the company being imported into | | | | | | | | | | | | | Box 3 | 1 + 2 | | | | |
| 17 | C/D: The start financial period. Must match that on the return being imported into | | | | | | | | | | | | | Box 4 | VAT reclaimed on purchases and other inputs | | | | |
| 18 | E/F: The end financial period. Must match that on the return being imported into | | | | | | | | | | | | | Box 5 | Net VAT to be paid / reclaimed | | | | |
| 19 | G thru O: Boxes 1 to 9 | | | | | | | | | | | | | Box 6 | Total value of sales and other outputs excluding VAT | | | | |
| 20 | P: The end marker. Must read "End". | | | | | | | | | | | | | Box 7 | Total value of purchases and other inputs excluding VAT | | | | |
| 21 | | | | | | | | | | | | | | Box 8 | Total EC supplies | | | | |
| 22 | This sheet must be saved as CSV (Comma delimited) before it can be imported. | | | | | | | | | | | | | Box 9 | Toatl EC acquisitions | | | | |
| 23 | | | | | | | | | | | | | | | | | | | |
| 24 | It is possible to have workings on other sheets as long as the sheet with the import row is saved as CSV | | | | | | | | | | | | | | | | | | |
| 25 | NB. If using additional sheets, saving as a CSV will remove these. Save as xlsx and then save a copy as csv for upload. | | | | | | | | | | | | | | | | | | |
| 26 | Row 11 is not defaulted, as long as the row exists in sheet 1 in the format exampled that's fine. Only one return row can exist. | | | | | | | | | | | | | | | | | | |
| 27 | | | | | | | | | | | | | | | | | | | |

The highlighted row contains the fields that are captured to the csv import. Please note the prerequesits for a succesful import.
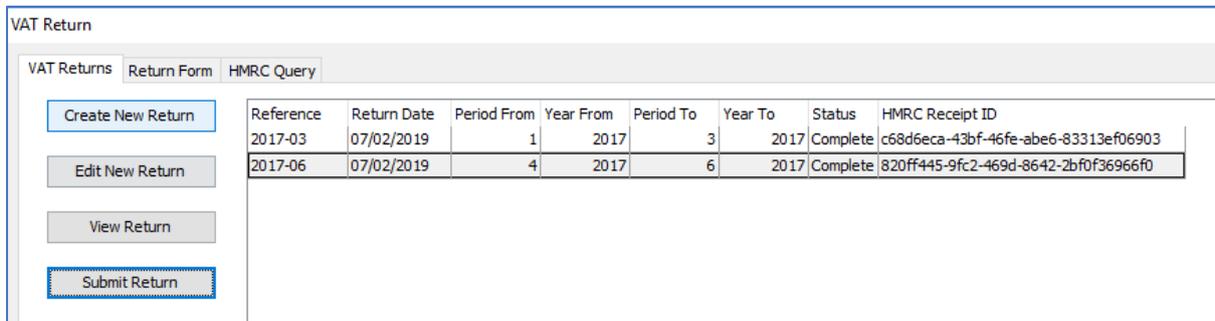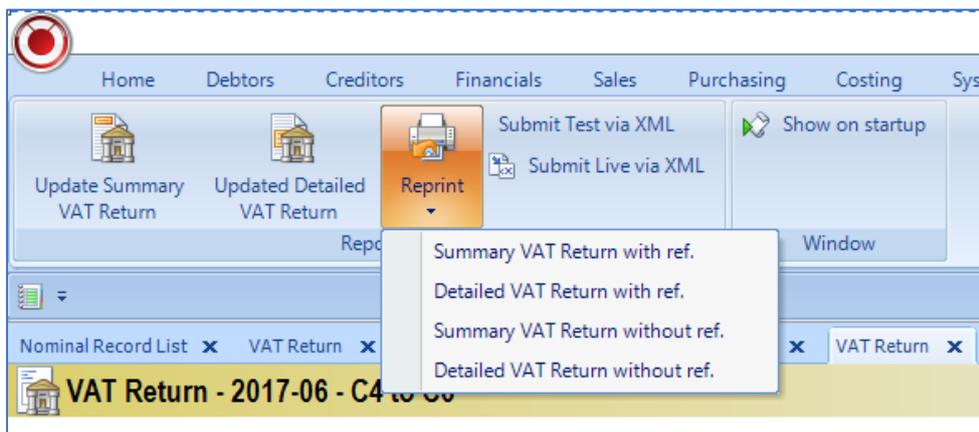
Submit.
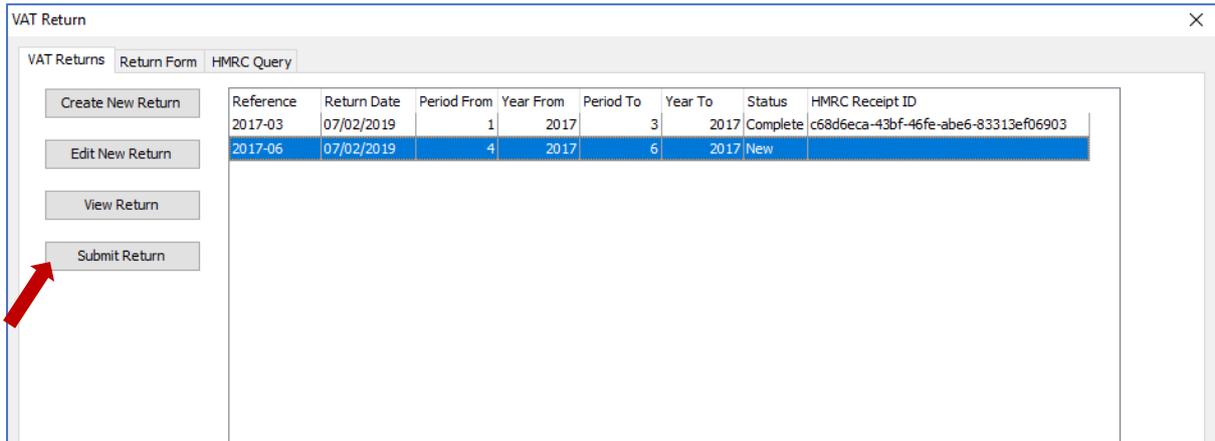


Once all checks completed and figures are agreed, submit.
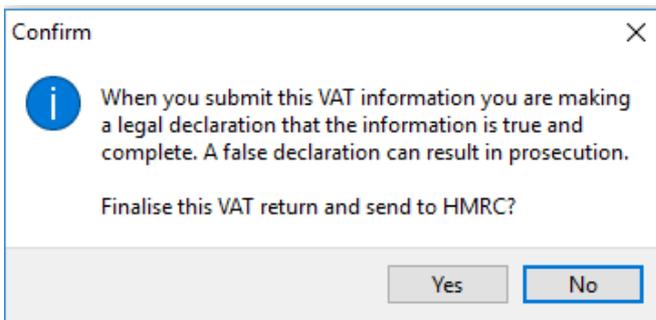


HMRC's api will handshake with the authorisation token and check the VRN and return periods for the submission. On successful submission, receipt ID received. Submitted returns are stored for future reference and view.



In financials, you can now view that the submitted return is closed and available for reprinting with or without reference.

HMRC Query tab.

Here you can select to query HMRC on obligations…

Select obligations from the Query Type and *Submit Query*.



In VAT Obligations box, select a line and click *Show VAT Return*. These are the submitted figures.

Other queries include Liabilities and Payments as exampled below. These exampled figures are HRMC examples only and bear no reference to the test submission completed in the above walk through.