



# MTD for ITSA:

## Getting ready for changes to Self Assessment



From April 2024, you'll need to follow HMRC's rules for Making Tax Digital for Income Tax Self Assessment (MTD for ITSA), which will change the way in which you currently prepare your business records with Malgra.

### What's changing?

MTD for ITSA is a huge change to the way that millions of people currently report their income to HMRC.

The initiative will affect all self employed business owners who have total business income (turnover) of more than £10,000 per year.

### What you'll need to do

- Keep **digital business records** using MTD-compatible software
- Send **quarterly** business income and expense updates direct to HMRC
- Finalise your business's income in an **annual declaration** and send to HMRC

Turn over to find out how your service will change

## Digital Business Records

Our cloud spreadsheet system was launched in 2019 following several years of supporting consultants with downloadable and printed tools for completing their business accounts.

And ready for 2024, we're already trialling our new MTD service with a small group of members, ready for the rollout for everyone to be on the digital based system.

## Sending Quarterly Updates

When MTD for ITSA starts, you'll need to send a **summary of your business income and expenses every three months** direct to HMRC. This has to be completed using MTD compatible software, such as our cloud spreadsheet system.

Once the period ends, our system will email you to prepare the relevant documents and confirm the 'final' quarterly numbers to submit to HMRC. A few clicks later and the information is on it's way to our team to verify and check the data, before sending onto HMRC for processing on your account.

The deadlines for submission will be the **same for everyone**, and scheduled to be the 5th of the month after the period ends (So for the 6th April - 5th July period, the deadline will be the 5th August).

## Finalisation of business income

At the end of the tax year, you'll need to finalise your business income by completing an **End of Period Statement (EOPS)** for each source of income (employment, self employment, pensions, etc) - along with a final declaration that replaces the current Self Assessment Tax Return.

This process will allow you to confirm that the updates provided through the year were correct, and allows the addition of any details / adjustments as required. You'll then submit this EOPS to HMRC (through our system) and pay the tax you owe.

## Have questions or want to know more?

Please check our dedicated website below for further details.

We appreciate that not everyone will be aware of the changes above, or the charges and penalties for failing to comply with the new HMRC requirements, therefore please share with your colleagues and friends to ensure they're up to date and ready for MTD.