

**Virtual Communications Group**  
**Digital Services Update**  
**May 2021**

### **Making Tax Digital (MTD)**

- There are over 1.5m businesses signed up to MTD as of 19 April and over 9 million VAT returns have been successfully submitted through the service. Overall, an estimated 89% of all businesses mandated to join from April 2019 are now signed up to the MTD service. The proportion of non-mandated businesses who have signed up voluntarily is currently around 30%.
- New MTD Director Giles McCallum started in post on 4 May. Giles was appointed following Roy Wallace's retirement.
- ITSA release 5 was successfully delivered in April 2021. This release delivered the majority of functionality that HMRC had planned, and a follow up release (release 5b) is scheduled for May to deliver the remainder.
- On 21 April, Jo Rowland, Director General for Transformation Group and Martin McTague (FSB) delivered a joint session on MTD to the HMRC Stakeholder Conference. Over 100 people attended the session. HMRC received a number of questions (the majority were known stakeholder positions) and will follow up on the session to further develop relationships with key stakeholders.
- In the coming weeks, HMRC will be contacting software providers informing them of HMRC's digitisation strategy:
  - We intend to decommission the VAT mainframe (which accepts XML submissions) and move every VAT record to the Enterprise Tax Management Platform (ETMP) (which does not accept XML submissions). ETMP will eventually be used to store all customer's tax records, not just VAT.
  - HMRC will need a valid and current email address for customers to enable non-MTD VAT customers' Direct Debit payments to continue after migration of customer records from the VAT Mainframe (VMF) to our new Enterprise Tax Management Platform (ETMP). This allows HMRC to comply with UK banking regulations requiring them to notify customers of the date and amount to be taken by Direct Debit. Without a valid email address, HMRC may be unable to collect VAT payments. HMRC will contact affected customers by post, the letter will inform them that HMRC will be cancelling their Direct Debit and asking them to regularly log into their Business Tax Account (BTA) between July – September 2021. Customers will then be introduced to a step-to-step process on how to update their Direct Debit information.
- An MTD update for agents will be sent via the making tax digital mailbox to 16,000 agents on the 21 May. A special update re the agent services account (ASA) was sent to this audience on 30 April.
- Just under 11% of the MTD for VAT population above the VAT threshold who are mandated to sign up to MTD for VAT are yet to do so. HMRC intend to send reminder letters over the coming month to remaining businesses not yet signed up to MTD for VAT who should have signed up from April 2019, advising that if they do not sign up, they may incur penalties.

### **Trust Registration Service (TRS)**

We are now able to provide you with some further information around the forthcoming changes to Trust Registration Service (TRS) and would like to confirm that we expect the TRS to be open to all non-taxpaying trusts in Summer 2021.

In preparation for opening TRS to non-taxable trusts registrations in Summer 2021, we have made changes to the service.

### **Taxable trusts**

Taxable trusts are now required to provide additional data to confirm if:

- the trust is, or not, an Express Trust,
- a non-UK trust has a business relationship in the UK,
- the trust has purchased any UK land/property,
- the trust has a controlling interest in a non-EEA company (and if so, provide company details).

Additional data about the individuals involved in the trust can also be provided, such as:

- country of residence
- country of nationality
- whether the person has mental capacity at the time of registration

Our [GOV.UK](#) guidance has been updated to include information about the additional data.

We have also made some changes to how we check that individual's names, NINOs and date of birth are correct. The details are checked upon input and service users are given three attempts to input the correct details. After three attempts, service users are requested to provide alternate details instead (name, address, passport number, expiry date, country of issue).

It is now also possible to download a PDF from the service to demonstrate proof of registration.

### **Non-taxable trusts**

We have also started to allow non-taxable trusts to register and make changes to their trust details to allow for service development and enhancement. Use of this service will only be accessible to those who have been invited to use the service.

If you have a non-taxable trust and are willing to participate in this development phase, please contact: [service\\_team17.digital\\_ddcn@digital.hmrc.gov.uk](mailto:service_team17.digital_ddcn@digital.hmrc.gov.uk)

Your request will be logged, and we will be in contact regarding an invitation.

We ask that you and your members do not contact the HMRC Trusts helpline about registration of a non-taxable trust, as that part of the service is still in development.

The full service will then be available for all customers at a later point in summer 2021.

### **VAT deferral new payment scheme**

The VAT deferral new payment scheme is open for all businesses who deferred paying VAT due between 20 March and 30 June 2020 and have been unable to pay in full by 31 March 2021.

Apply now to spread these payments. If you **join by 19 May 2021 you can pay in up to 9 monthly instalments**. The later you join, the fewer instalments will be available to you.

You can join the easy-to-use scheme quickly and simply online by 21 June, without needing to call us. To find out more, including what you need to join online, go to GOV.UK and search 'VAT deferral'.

If you're still unable to pay and need more time, please contact us – go to GOV.UK and search 'if you cannot pay your tax bill on time'.

You may be charged a 5% penalty and/or interest if you do not pay in full, sign up to the scheme or get in touch with us to make an arrangement to pay by 30 June 2021.