

Dear Sir or Madam

Action required before 8 April 2021: you need to change the way you submit your VAT Returns

We are writing to you because you, or your agent, submit your VAT Returns using eXtensible Markup Language (XML) software. From 8 April 2021, HMRC will no longer accept VAT Returns using this software. This is because, as part of HMRC's digital transformation, we are moving VAT customer accounts to a new IT system that does not accept XML submissions.

What you need to do

After 8 April 2021 you must use another way to submit your VAT Returns. You should consider your options now so you will be ready for April. You may wish to contact your software provider, or agent, to talk about this letter. We have told all XML VAT software providers about this change.

From April 2021 you can do one of the following shown in the table below.

Submit your VAT Returns using your Business Tax Account.	For further information and to access your Business Tax Account, go to www.gov.uk/guidance/sign-in-to-your-hmrc-business-tax-account If you have never used your Business Tax Account, go to www.gov.uk/government/publications/use-hmrCs-business-tax-account
Submit your VAT Returns using an agent.	You can appoint an accountant or other approved agent to submit your VAT Returns for you. Agents will also be unable to use XML software. However, they can submit your VAT Returns using their online agent account. Once your VAT account has moved to the new IT system, your agent can use their Agent Services Account to continue submitting your VAT Return. If you have an agent, please speak to them now about this.
Sign up to Making Tax Digital (MTD).	If you are a business with a taxable turnover above £85,000, you should already be following the MTD rules. You must (do all of the following): • sign up to MTD • keep digital records • submit your VAT Returns using MTD compatible software Submitting VAT Returns using XML software does not meet the MTD rules. If your taxable turnover is below £85,000, you can sign up for MTD voluntarily before April 2022. This is because from April 2022 all VAT businesses, no matter what their taxable turnover is, must sign up to MTD. For further information on signing up for MTD VAT, go to www.gov.uk/government/collections/making-tax-digital-for-vat

If you are required to use MTD but do not sign up

A small number of businesses who are required to use MTD have not yet signed up and are still submitting their VAT Returns using XML software. If this applies to your business, you must sign up and start using MTD before your next VAT filing deadline. If you do not, we may charge you penalties.

For more information on surcharges and penalties, go to
www.gov.uk/vat-returns/surcharges-and-penalties

We understand that COVID-19 means you may be dealing with challenges you have not experienced before, and we're committed to supporting you during this time. Further information on the support available to business is available at:
www.gov.uk/coronavirus/business-support

If you need help to pay your VAT, you may be eligible to get support with your tax affairs using our Time To Pay (TTP) service. For more information about this, go to
www.gov.uk/difficulties-paying-hmrc

Yours faithfully,

HM Revenue and Customs