BASDA Showcase

• Chairman’s update

• Specialist Interest Group updates:
  – Payroll, Pensions and HR
  – Construction
  – Making Tax Digital
  – B2B Marketing
Chairman’s Update

• Another successful year of collaboration
• Welcomed new members
• Thank you to existing members for continued support and engagement
• Excellent AGM earlier where new nominations for the BASDA General Council were put forward and agreed
• Representation with a seat on HMRC and ICAEW forums
• Successfully launched a series of Selecting Business Software to help businesses with their purchasing decisions
• Listened to feedback and have developed a range of Guides for the larger, more complex solutions right down to supporting micro businesses with particular business software buying requirements
• www.basda.org/bsg
Chairman’s Update

• Active Specialist Interest Groups but need your participation
• Benefits of involvement include:
  – influence on important issues impacting your business now and in the future
  – first mover advantage
  – peer-to-peer networking
  – profile and personal development
• Strategic partnership in place with Accounting Web for Software Developer Awards; Accountex (including speaker opportunity) and Accountex North
Chairman’s Update

• Strong relationship in place with ICAEW – successful joint webinar on MTD
• Series of SIG virtual meetings planned for during the year – Construction Reserve Charge VAT and MTD
• Get involved to get the most out of your membership
• Reminder to use the dedicated hashtag for any social media you are posting

#BASDASUMMIT2019
Specialist Interest Group: Payroll, Pensions & HR

• Focus of your SIG – Payroll, Pension & HR
• Achievements over last 12 months
  – Engaged with HMRC via BIB & EPG
    • Feedback on timelines on deliverables to developers
      – RTI changes
      – Test data
    – New Vice Chair (Matt Jennings)
• Challenges / Focus for next 12 months
  – Legislation changes – how they will be implemented
    • NIC’s on termination payments
    • EYU discontinued
    • Off-payrolling for the private sector
• How members can engage / contribute with your SIG
  – Join the Slack channel and join in the conversation
Since May 2008: BASDA has been represented by Jim Etherton on the CIS Operational Forum. This forum has now been ended by HMRC.

Aug 2018: Responded to the Consultation on Off-Payroll Working in the Private Sector with specific reference to the Construction Industry

Since Dec 2017: Participating in the HMRC Stakeholders Forum on Construction Reverse Charge VAT

May 2019: Launch of “10 things to consider when purchasing Construction Accounting Software”
## 10 things to consider when purchasing Construction Accounting Software

1. Monthly Construction Industry Scheme (CIS) returns
2. CIS verification of subcontractors
3. CIS validation of payments and deductions
4. Is the software listed for CIS on the HMRC website?
5. Construction reverse charge VAT
6. Self-billing / Authenticated receipt VAT
7. Payment of subcontractors: Payroll / Purchase ledger / Subcontract ledger
8. Retentions and other contractual deductions (customers and subcontractors)
9. Project bank accounts
10. Cost value reconciliation
Making Tax Digital –
The BASDA SIG
May 2019
Born April 2018
Focus of the SIG

Making Tax Digital Timeline

- **2017**
  - Introduced real-time payroll tax reporting
  - Updated layouts for invoice data
  - Intent to increase use of e-assessments

- **2018**
  - MTD for other taxes besides VAT
  - Expanded quarterly VAT reporting, and optional B2B E-invoicing
  - Expanded matching efforts using new invoice requirements

- **2019**
  - New obligations for payroll (e-social)
  - New GST requirements to submit detailed transactional data
  - New obligations for payroll (e-social)

- **2020**
  - Making Tax Digital
  - Hungary Requires ‘live’ invoice reporting
  - Uses analytics to prioritize audits
  - Singapore introduced BEPS CBC reporting
  - Tax modernisation programme
  - Implementing mandatory reporting of ‘Single Touch’ payroll

- **2017-2020**
  - Increased e-audits and assessments from live invoicing
  - Further digitalised its tax administration
  - Improved digitalising its tax administration
  - Expand matching efforts using new invoice requirements

Focus of the SIG: Introduce CBC reporting.
Focus of the SIG: Making Tax Digital Timeline

• **From April 2018** – Software providers are participating in HMRC’s Making Tax Digital “pilot” with “real” clients

• **From April 2019** – All businesses with turnover in excess of £85,000, will have to keep track of their tax affairs digitally and will need to submit VAT returns directly from their accounting software

• **Quarterly updates** – Businesses will also be expected to update HMRC at least quarterly (rather than annually) using their digital tax account beginning from 1st April 2019

• **Use of software** – Businesses will send HMRC information direct from their software. Taxpayers will have to choose from commercial software providers.

• **Exemptions for disabled people, older people, those in remote locations and for other reasons** will be available, though the detail of what alternative services will be provided for those who are exempt is not clear.
85% of VAT submissions are currently submitted via HMRC’s government gateway
Making Tax Digital

The current HMRC Green Screen for VAT Returns is being switched off so you will need software to submit a VAT return.

Only 15% of VAT submissions are submitted directly from accounting software.

For VAT quarters ending June 30th and later the HMRC VAT gateway will be closed.
New MTD for VAT for Compliant Software

The Mechanism

The New Making Tax Digital System

Accountant

API

Integration Layer

Enterprise Tax Management Platform (ETMP)
“Bridging Software” is a simple and cheap solution

“Bridging Software” gives a “soft landing” for Accountants and others in 2019

This information doesn’t link to underlying transactions,
From April 2020 the “9 Box” VAT data must be linked
Available Software
85% of VAT Returns are keyed directly in the government gateway. Only 15% of VAT submissions are submitted directly from accounting software. For VAT quarters ending June 30th and later the HMRC VAT gateway will be closed.
How Members can Engage and Contribute

• Volunteer to be a “media reviewer” (each member is allocated a portion of the media) so we don’t miss anything. You will be asked to submit a bi-weekly update:
  - Accounting Web; ICAEW; Accountancy Age; Thought Leaders on Linkedin; ICPA tweets

• Contribute Questions to be posed in our Quarterly HMRC round tables

• Contribute Articles and Blogs for use on our BASDA’s website

• Attend the Making Tax Digital SIG Virtual Meeting – Tuesday 25\textsuperscript{th} June 2019

• The SIG meetings will be quarterly thereafter
• Focus
  • Promoting BASDA; supporting initiatives; generating interest for BASDA & members
• Achievements over last 12 months
  • BASDA Guides; ICAEW Webinar & articles; Accountex
• Challenges / Focus for next 12 months
  • Continue to support, respond and initiate
• How members can engage / contribute
  • Ideas; input; content; speakers
  • Should we reinstate physical/virtual meetings?