

SIMPLIFYING MTD FOR INCOME TAX:

A client-centric
approach for accountants
and bookkeepers



BUILDING TRUST AND DRIVING SUCCESS

With so many moving parts, it's understandable that the MTD for Income Tax mandate can feel overwhelming for your clients, especially those resistant to change.



In my experience running a digital-first accounting firm and helping other firms on their digital transformation journeys, I've found that the winning formula is a combination of starting slow, segmenting your clients effectively, and focusing on communication. With the right approach, the transition can be smooth and even rewarding.

ERIONA BAJRAKURTAJ,

CEO of Majors Accounts, an ACCA-accredited accounting firm in London



START WITH THE BASICS

Many clients feel unsure or confused about MTD for Income Tax.

They might ask:



Why do I need to submit quarterly reports now?



What's the point of using software?



Does this mean more work and cost for me?

The key is to meet them where they are and break down the essentials:



"Right now, you see us once a year. With MTD, **you'll be working with us four times a year**, plus the year-end submission."



"We'll use software to **capture and organise your financial information** in real time."



"Think of it as a chance to **streamline processes and get valuable insights** into your business all year round."

Starting with these simple explanations **helps clients feel less overwhelmed and gives them a clearer picture of what to expect.**

Segment your client base and **TAILOR YOUR APPROACH**

No two clients are alike. Some are comfortable with technology, while others might outright refuse to engage with digital tools. By segmenting your client base into categories, you can tailor your communication strategies for maximum impact:

- **Tech enthusiasts:** A simple email might be enough to inform them of what's required.
- **Fence-sitters:** Follow up emails with a personal call to explain how MTD will work specifically for them.
- **Tech-averse:** Skip the emails altogether and arrange in-person or phone meetings to guide them step by step.

For example, with tech-averse clients, I've found starting with one tool like an app to upload expenses, is a great first step. Gradually introducing more tools ensures they gain confidence at each stage.



Anchoring in the **KEY BENEFITS OF MTD**

MTD is a real opportunity to change how we work with our clients, **turning what might feel like a daunting process into something truly transformative.** Focusing on the value MTD brings helps clients see past their initial resistance.

Here's how I approach it:



Real-time insight

With regular submissions, clients gain a clear, up-to-date picture of their financial health, enabling informed decisions when it matters most.



Tax-efficiency opportunities

Early engagement allows clients to plan strategically. For example, they might invest in equipment or training to reduce their tax bill while supporting business growth.



Improved efficiency

MTD reduces manual admin, saving time for both you and your clients while simplifying processes.



Stronger relationships

Frequent touchpoints naturally build trust and show clients that you're invested in their success.



Enhanced compliance

MTD can help clients avoid penalties by staying on top of requirements with ease.

EXAMPLE During tax return season, a client discovered they owed a significant amount of tax. If they'd shared their financial information earlier, we could have discussed options like buying a vehicle or investing in equipment to reduce their tax liability. MTD ensures these conversations happen in real time, benefiting the client's bottom line and strengthening our relationship.

When you anchor conversations in these benefits and guide clients step by step, you can turn resistance into trust and collaboration.

COMMUNICATE REGULARLY

The shift to MTD for Income Tax can feel daunting for clients, so regular communication is key. Address their concerns openly and honestly:



Costs

Show how upfront investment in technology can **save money over time**.



Benefits

Highlight how frequent touchpoints lead to **smarter decisions and better cash flow management**.



Timing

Set up quarterly check-ins to **review progress, answer questions, and ensure compliance**.

Clients who feel supported and well-informed **are more likely to engage and see the value in this new system**.

Remind them about **COMPLIANCE AND AVOIDING PENALTIES**

While some clients may resist the change, it's important to emphasise that non-compliance comes with penalties. I reassure my clients that firms making a genuine effort to transition have little to fear.



Explain that MTD-compatible software simplifies compliance and reduces errors.




Highlight how digital submissions lead to fewer last-minute surprises and better strategic planning.




Position compliance as an opportunity to modernise, not just a box-ticking exercise.

Simplifying MTD for your clients starts with empathy and education.

By breaking it down into manageable steps, tailoring your approach, and maintaining open communication, you'll help them see this not as a burden but as an opportunity for growth and efficiency. And as your clients adapt, so will your practice, opening the door to a more collaborative and forward-thinking way of working.

VAT  Making Tax Digital
Enabled

Returns

END DATE	STATUS
Open returns ▾	
31/01/2023	OPEN 

Error check your return

- View summary
- View VAT details
- View exception details
- Download report

View summary ▾

VAT Error Checker

2 transactions have unusual VAT codes

Review now

4 VAT items may be duplicates

Review now

QUICKBOOKS

YOUR MTD PARTNER

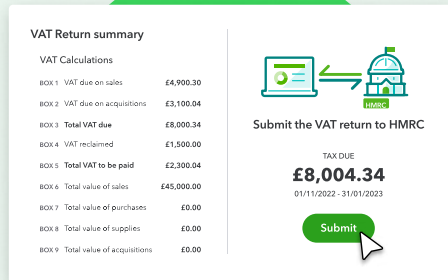
We understand the challenges you're facing: increased admin, greater complexity, and mounting pressure to get everything right. **Our solutions are designed with you in mind, making it easier to manage increased complexity and stay compliant.** From QuickBooks Ledger, Sole Trader to Advanced, MTD compliance is built into every product.

With our award-winning support on hand to guide you and with **Practice Manager helping with client collaboration and tracking tasks**, we've removed heavy lifting and opened up a pathway for opportunity.

For construction specialists, we've revamped the CIS experience based directly on your feedback. **Say goodbye to manual, time-consuming returns with automation that handles HMRC filing, subcontractor verification, and payment and deduction statements sent automatically.** Even when corrections are needed, it's easy to make amendments and resubmit.



The complete **MTD ECOSYSTEM** - **SEAMLESS AND SMART**



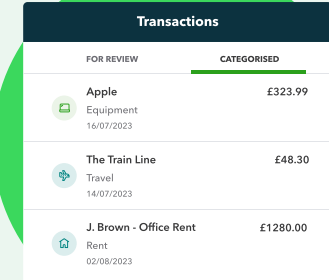
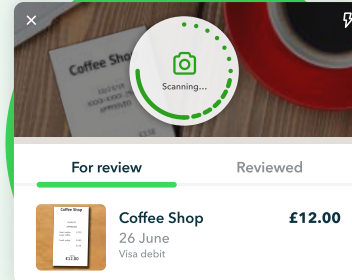
VAT Return summary

VAT Calculations	
BOX 1 VAT due on sales	£4,900.30
BOX 2 VAT due on acquisitions	£3,100.04
BOX 3 Total VAT due	£8,000.34
BOX 4 VAT reclaimed	£1,500.00
BOX 5 Total VAT to be paid	£2,300.04
BOX 6 Total value of sales	£45,000.00
BOX 7 Total value of purchases	£0.00
BOX 8 Total value of supplies	£0.00
BOX 9 Total value of acquisitions	£0.00

Submit the VAT return to HMRC

TAX DUE
£8,004.34
01/11/2022 - 31/01/2023

Submit



Transactions	
FOR REVIEW	CATEGORISED
Apple Equipment 16/07/2023	£323.99
The Train Line Travel 14/07/2023	£48.30
J. Brown - Office Rent Rent 02/08/2023	£1280.00

Ledger: clients hand it over to you;
you manage their records.

- Automated bank feeds and reconciliation simplify transaction tracking.
- Seamless data integration with Workpapers and tax prep tools streamline reporting.
- Scalable; as clients' needs grow, upgrading is seamless without starting from scratch.

Sole Trader: feedback makes being
MTD compliant easy.

- AI-driven automation - separation of personal and business transactions.
- Receipts are snapped on the mobile and matched instantly.
- Income Tax Estimator provides real-time tax predictions.

Simple Start: helps clients take charge
of their finances while you guide them.

- AI-powered workflow optimisations to reduce manual effort.
- Automated transaction categorisation across AR and AP for faster bookkeeping with AI Payee automation
- AI income Tax Estimator provides real-time insights for greater financial confidence.

This isn't just about tools - it's about efficiency. AI-powered workflows, transaction automation, and tax estimations mean less time on admin and more time growing your firm.



And remember - at every step, our support team is ready to help both you and your clients
**IMPLEMENT, OPTIMISE, AND EXCEL
WITH OUR SOLUTIONS.**

Talk to our team about MTD

