Are You Really Ready for Making Tax Digital?
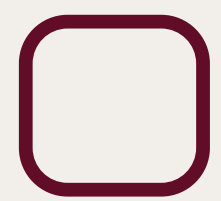
Your Practical Xolve MTD Readiness Checklist

Have you confirmed which MTD rules apply – now and next?

- ☐ MTD for VAT: Required for all VAT-registered businesses since April 2022.

- ☐ MTD for Income Tax (ITSA): Applies from April 2026 for income over £50k, £30k from 2027.
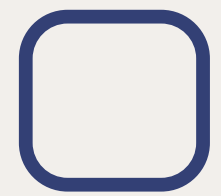
- ☐ MTD for Corporation Tax: Expected no earlier than 2026 (pilot underway).

Reminder: VAT compliance is already mandatory. Income Tax and Corporation Tax are next.

Is your record-keeping fully digital — not just digitised?

☐ Using HMRC-recognised, MTD-compatible software – not manual spreadsheets.

☐ Sales, purchases, and VAT records are created and stored digitally at the point of transaction.
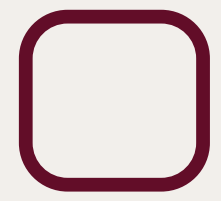
☐ Records are preserved for 6 years (VAT) or 5 years (Income Tax).

Reminder: Manual copying or re-keying data breaches MTD rules. Spreadsheets must link digitally via bridging software.

Is your software directly connected to HMRC?

☐ Filing is done automatically via MTD APIs – no manual data entry via HMRC.

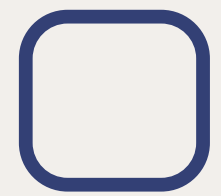☐ Your accountant or bookkeeper has real-time access to your live system.

☐ Software authorisation with HMRC is active and correctly set up.

Reminder: Digital submission is mandatory – you can't file by manually entering figures anymore.

Is your transaction processing real-time and audit-ready?

☐ Bank feeds are connected and regularly reconciled – no delays.

☐ Digital copies of receipts and invoices are linked to each transaction.
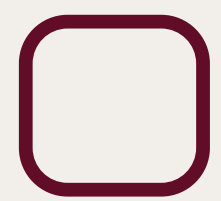
☐ Expenses and sales are categorised consistently throughout the year – not in bulk.

Reminder: MTD ITSA requires quarterly reporting – no more once-a-year catch-ups.

Have you eliminated human error risks?

☐ No manual copying, pasting, or editing of financial data between systems.

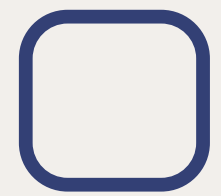☐ Digital audit trails are complete – linking every transaction to submission.

☐ Data flows are uninterrupted – software integrations, not spreadsheets, maintain compliance.

Reminder: HMRC expects a clear, traceable digital journey for every transaction.

Have you tested your submission process ahead of deadlines?

☐ Completed a live or test MTD submission to ensure the system works.

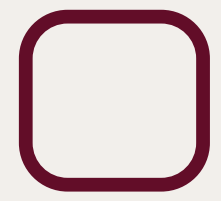☐ Fixed common filing issues like expired HMRC authorisations or software connection errors.

☐ Built in margin time for quarterly or annual filings to avoid late penalties.

Reminder: Late filings trigger a points-based penalty system – four missed deadlines can mean a £200 fine.

Are you ready to grow without breaking MTD rules?

- ☐ Systems can scale – able to handle increased volume, users, and complexity.

- ☐ Staff are trained to maintain real-time digital record-keeping as the business grows.

- ☐ Expansion plans account for VAT, ITSA, or Corporation Tax threshold changes.

Reminder: HMRC expects a clear, traceable digital journey for every transaction.

Missed a tick or two?

Book your free 15-minute MTD Readiness Check with Xolve and get properly future-proofed.