

# K8 Making Tax Digital (MTD) Bridge Factsheet



## K8 - MTD Bridge Factsheet

The purpose of the K8 MTD Bridge Application is to submit the company's VAT Return detail directly to Her Majesty's Revenue and Customs (HMRC) via the published API. This product is designed to work with specific versions of K8. The minimum requirements are current release levels of K8 Babbage 13 or K807 SP26. VAT transaction detail is recorded within K8 in the course of normal daily processing activities. This detail forms the basis of the VAT Return that is required for the business.

### Overview of VAT Return Preparation Process

Each company within K8 operates with a single VAT Registration, with a single submission per company. In addition to the recording of customer and supplier invoices for VAT purposes, K8 also allows for VAT-only adjustments to be processed (such as fuel scale charges). All VAT codes used will be mapped within K8 to the appropriate box for reporting purposes. These are as follows:

- Box 1** VAT Due on Outputs
- Box 2** VAT Due on EC Acquisitions
- Box 3** Total Output VAT – Calculated Value Only
- Box 4** VAT Reclaimed on Inputs
- Box 5** Net VAT – Calculated Value Only
- Box 6** Net Sales and Outputs
- Box 7** Net Purchases and Inputs
- Box 8** Net EC Supplies
- Box 9** Net EC Acquisitions

**Disclaimer:** The content of this document does not constitute any form of legal or professional advice. If in doubt, please seek expert advice with regard to the MTD regulation.

The detail required to produce the VAT Return is recorded within K8 and a summary VAT report can be produced to view the suggested VAT Return prior to submission to HMRC. Upon completion, the VAT Return summary is available to the K8 MTD Bridge for onwards transmission in accordance with the Making Tax Digital for VAT Regulation.

### K8 MTD Bridge Application

This application is installed onto a Windows PC which is on the same network as the K8 system and which has appropriate access to that system. This program requires a version of Windows, as supported by Microsoft, be installed on the device, with appropriate memory and disk available to execute the program. In addition, the Microsoft .NET Framework v4.5.2 should also be installed. This device must be capable of connecting directly to the internet in order that it may transmit the VAT detail to HMRC.

The application must be registered by the customer for use with HMRC but, before it can be used, the user must also enter company registration details within the application. If in doubt, please contact HMRC for further detail:

#### This program enables the business to record details of the following:

- **HMRC registration**
- **PIN setup and management**
- **Company setup and management**

Once the application has been registered and all details above have been completed, an authorised user may log in and use the application to submit the VAT Return that has been calculated within K8 to HMRC via the published HMRC API.

The user may view the summary VAT detail, as outlined above. Once they are satisfied they can choose the Submit option. This then transmits the VAT detail to HMRC.

Receipt of the detail is acknowledged by HMRC, this is recorded in the application and is available for enquiry. The user is notified on-screen that the submission has been accepted.

Should the submission fail, or HMRC refuses to accept it, a notification is displayed on-screen for the user so that they may take appropriate action.

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