



# *TAXbite – MTD: the flat rate scheme*

ICAEW TAX FACULTY

## ***MTD and the flat rate scheme***

- The underlying VAT rules are NOT changing
- The flat rate scheme (FRS) will continue and is unaffected by MTD
- FRS users must maintain a **digital** record of **each** supply made
- FRS users are NOT required to maintain a **digital** record of **each** supply received
- FRS users do need to keep a digital record of capital purchases >£2,000

# *What needs to be recorded?*

- For supplies made:
  - The time of supply
  - The value of the supply
  - The rate of VAT charged
- For capital supplies received > £2,000
  - The time of supply
  - The value of the supply
  - The amount of input VAT to be reclaimed

## *Further support*

- [www.icaew.com/mtd](http://www.icaew.com/mtd)
- [www.icaew.com/taxbites](http://www.icaew.com/taxbites)
- Future webinars [www.icaew.com/taxfacevents](http://www.icaew.com/taxfacevents)
- VAT Notice 733: Flat rate scheme <https://www.gov.uk/government/publications/vat-notice-733-flat-rate-scheme-for-small-businesses>
- HMRC guidance <https://www.gov.uk/vat-flat-rate-scheme>

# *Thank you for watching*

We hope you have found this TAXbite useful.

For further information about the Tax Faculty and the benefits of membership please download the resources accompanying this TAXbite

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