Making Tax Digital for VAT: choosing software

General Features **Indirect Tax**

01 June 2019

LITRG highlights issues surrounding accessibility of MTD-capable software for people with particular needs.

One of the key difficulties encountered by businesses who have not previously used digital products, but who are now trying to comply with the new Making Tax Digital for VAT regime, is choosing appropriate software. HMRC are trying to address this by creating a software choices tool, which sifts through the many hundreds of available products and finds those that meet various criteria.

The tool has been available on GOV.UK since February 2019. Unfortunately, the first iteration is underwhelming, as it is extremely basic and the inbuilt search functionality is very limited. For example, it does not filter by price; however, there is a filter as to whether the software is suitable for businesses or agents, and whether it is a bridging product or digital record keeping product.

HMRC have stressed that the tool will continue to be developed. To this end, they have recently updated it for accessibility search criteria, so that it can be used by those with a disability to find software which meets specialist accessibility needs (motor, visual, cognitive, hearing).

At the time of writing, there are only three software providers who claim to fully meet accessibility requirements, despite the fact HMRC have made it clear to developers that products have to comply with industry standard Web Content Accessibility Guidelines 2.1 AA (WCAG 2.1 AA).

This is a very low number, although we have been assured that HMRC are expecting more to become available fairly soon, including from the big/established software providers. All three products are web-based products; there are no offline products

currently available. One is a bridging product, one is a digital record keeping product and one does both.

But what do you do if you have a client that has an accessibility need which is not yet met by the software products that are available? You could suggest that an application for exemption from MTD is made in these circumstances, on the grounds that the necessary technology is not available to enable them to comply with MTD for VAT.

We expect that exemption would be granted in these circumstances, at least on a temporary basis until such time as software compatible with the specific needs becomes available. In May's Technical Newsdesk, there was an article explaining more about the exemption process and how to go about claiming exemption. Somewhat surprisingly, whether or not a product meets accessibility needs and complies with WCAG 2.1 AA is not tested by HMRC before the product is added to the software choices tool. The product developers are only required to self-certify the product's compliance and that they provide a support model for individuals who have accessibility needs or use digital assistive technologies.

Therefore, if it comes to your attention that a particular product does NOT meet the accessibility needs for a specific client, then we strongly recommend that HMRC are informed of this, so they can take it up with the developers. LITRG would also be pleased to hear your feedback if you come across problematic cases – please email us at litrg@ciot.org.uk.