



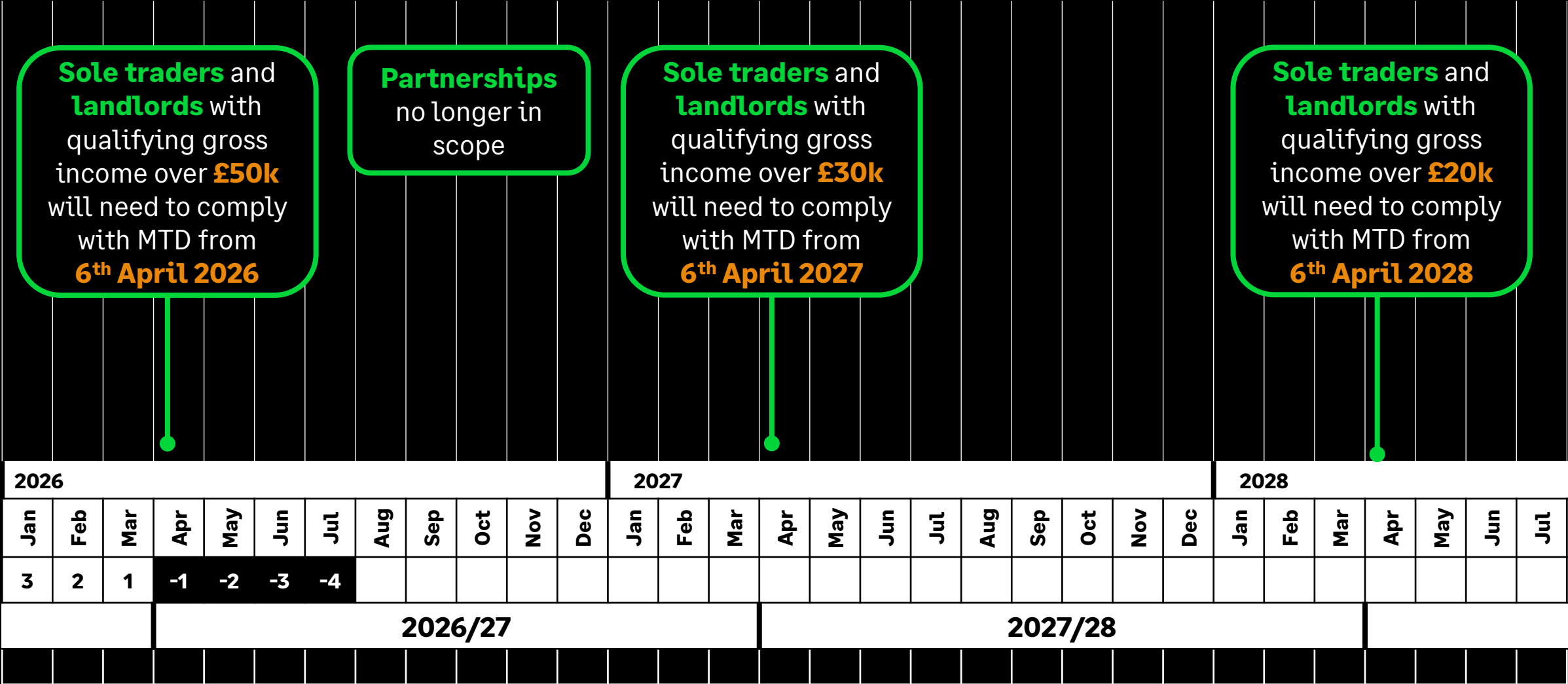
MTD for Income Tax: **One year** to go – are **you** ready?

18 June 2025

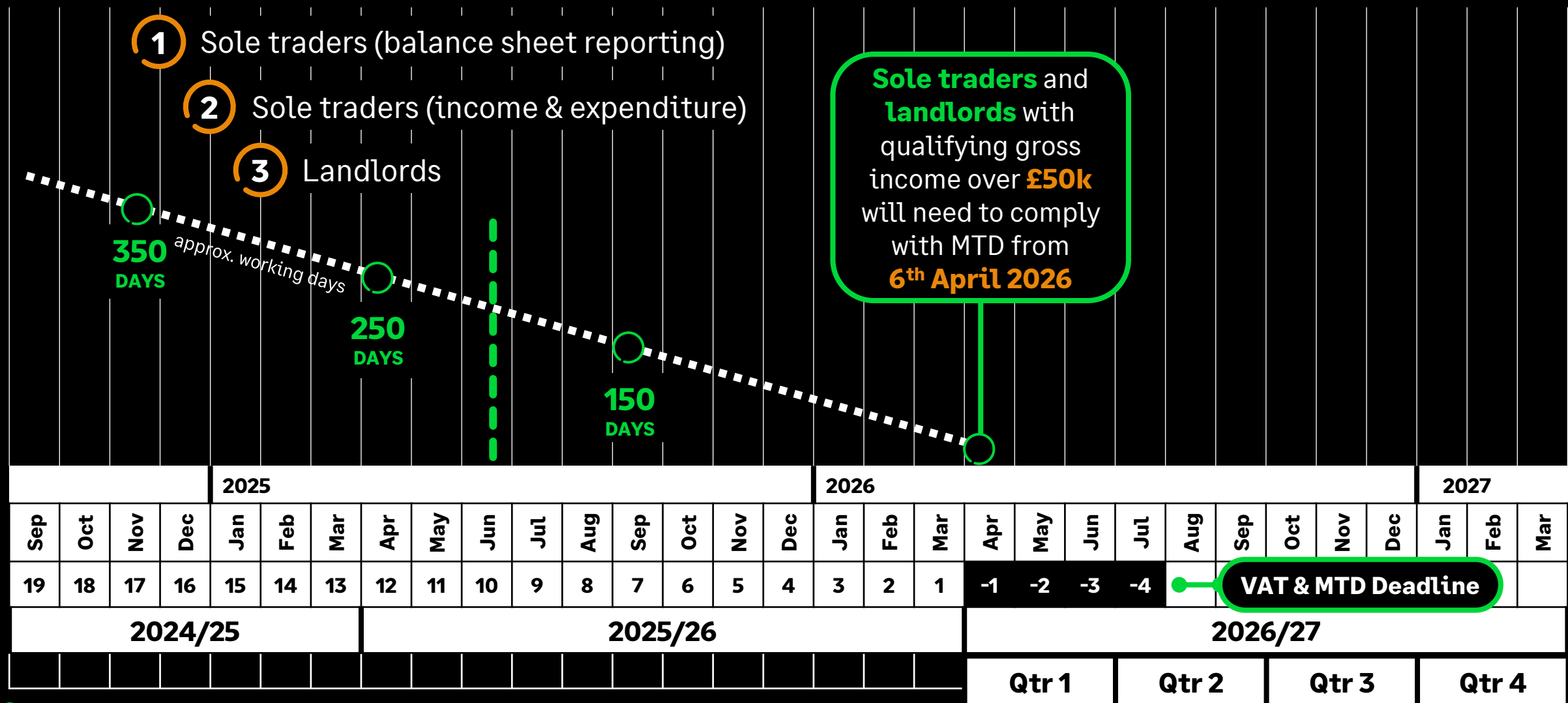
Sage

Where are we with **MTD**?

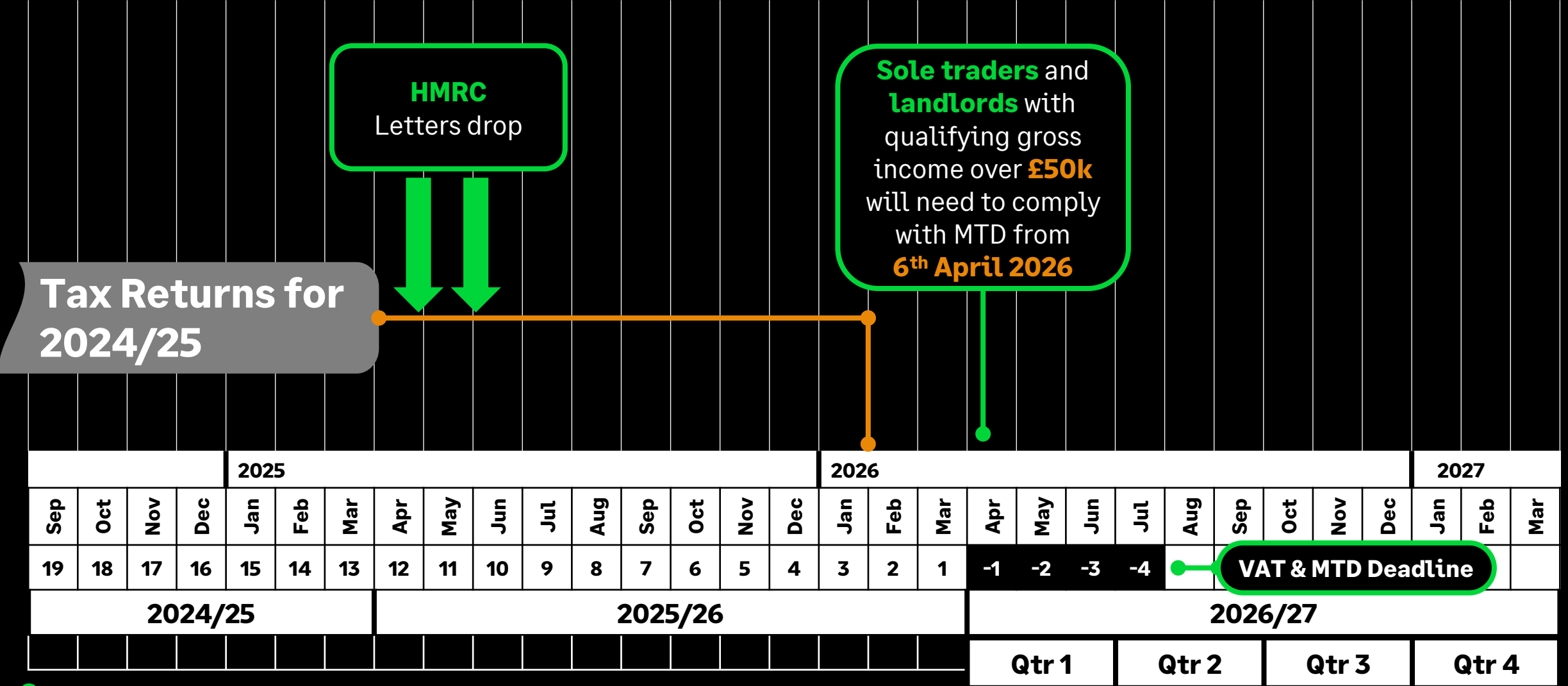
Where are we with **MTD**?



Where are we with **MTD**?



Where are we with **MTD**?



Who is in ...

- **Self-employment turnover** SA103F box 15, SA103S box 9, SA200 box 3.6
- **Self-employment other income** SA103F box 16, SA103S box 10
- **UK property income** SA105 box 20, SA200 box 6.1
- **Other UK property income (grant of lease)** SA105 box 22
- **Other UK property income (reverse premiums)** SA105 box 23
- **Other UK property income (FHL)** SA105 box 5
- **Foreign property gross income** SA106 box 14
- **Foreign property income (reverse premiums)** SA106 box 16

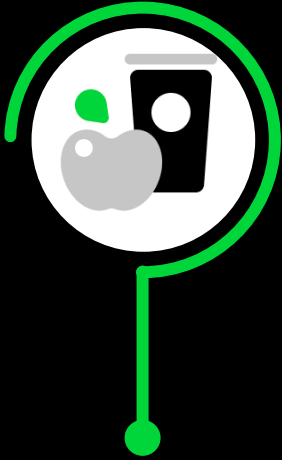
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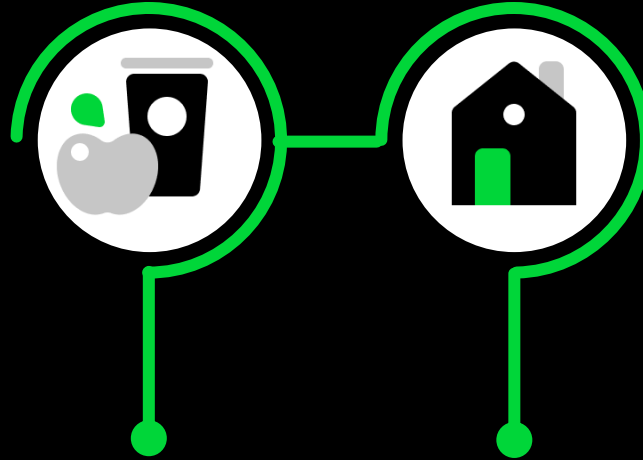
Who is out...

- **Partnerships**
- **Trusts, estates, trustees of registered pension schemes and non-resident companies**
- **Taxpayers with a Power of Attorney**
- **Non-UK resident foreign entertainers and sportspeople**
- **Taxpayers who do not have a UK national insurance number (NINO)**
- **Taxpayers claiming qualifying care relief for that source of income only**
- **Lloyds underwriters, ministers of religion, distributions to shareholders in real estate investment trusts**
- **Taxpayers who claim Married Couples Allowance or Blind Persons Allowance**

Scenarios for £50k phase for 2026/27



Jenny is a sole trader and has self-employment income of £25k. Based on this, Jenny **will not need** to comply with MTD.

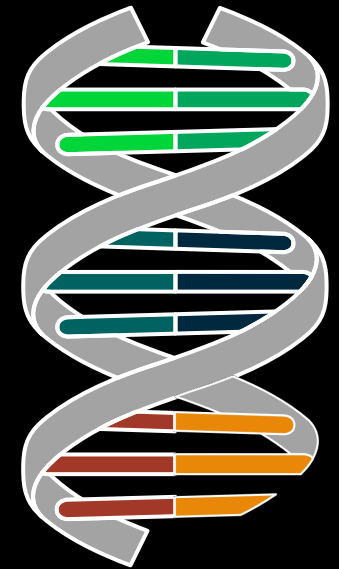
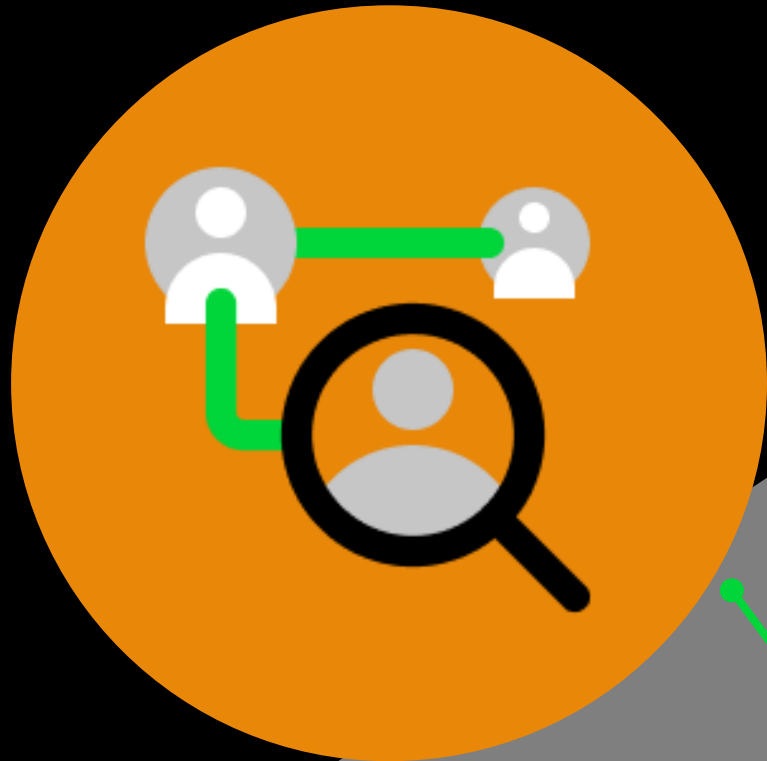


Jenny also has rental income from a property of £14k. Jenny's total qualifying income is therefore £39k (£25k + £14k) meaning she **will likely need** to comply with MTD from **April 2027**.



Jenny also has a jointly own a property with her sister which generates £26k in income. The property is equally owned meaning Jenny has a further £13k (£26k ÷ 2) of qualifying income. This brings Jenny's total qualifying income up to £52k (£39k + £13k) meaning she **will need to** comply with MTD from **April 2026**.

Step-by-step



STEP 01

Identify and segment
clients in scope

Segmentation

Your Practice DNA

- Know your client
- Compliance & approach
- Engagement & complexity
- Record keeping readiness
- Communication & fees
- Education & training
- Scorecard & prioritise quick wins & high value clients



Know Your Client

- Trade type and critical dates.
- Goals, aspirations, retirement.
- Full portfolio review - corporates, charities, trusts.
- Capture, code and compliance approach.

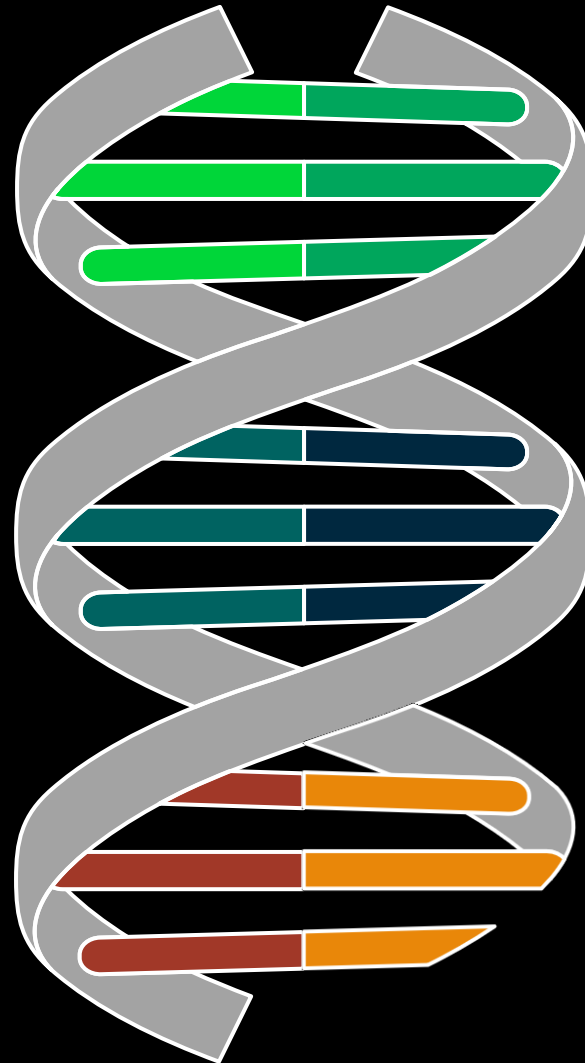
Compliance and approach

- Quarterly updates approach.
- Phase threshold.
- Beta suitability.
- Period alignment – 31 Mar, 5 Apr, non-fiscal.

Segmentation

Your Practice DNA

- Know your client
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Engagement and complexity

- Practice, bookkeeper, client.
- Income sources – single, multiple & rental.
- Rental income complexity.
- Cash or accruals basis.

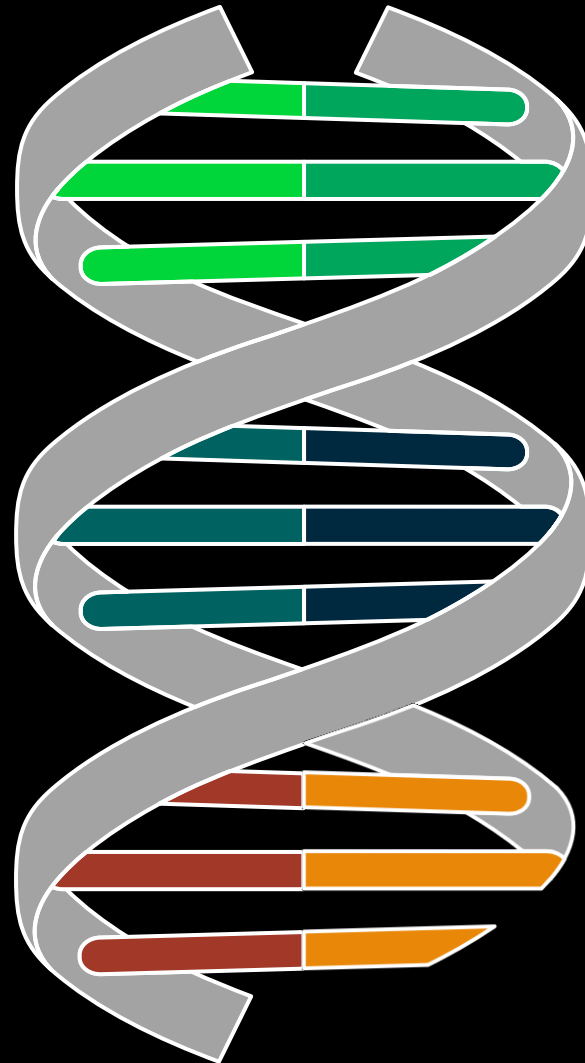
Record-keeping readiness

- Source records review
- Frequency – daily, weekly, monthly, quarterly
- Quality – digital first, digital partial, manual
- Business bank accounts & number.

Segmentation

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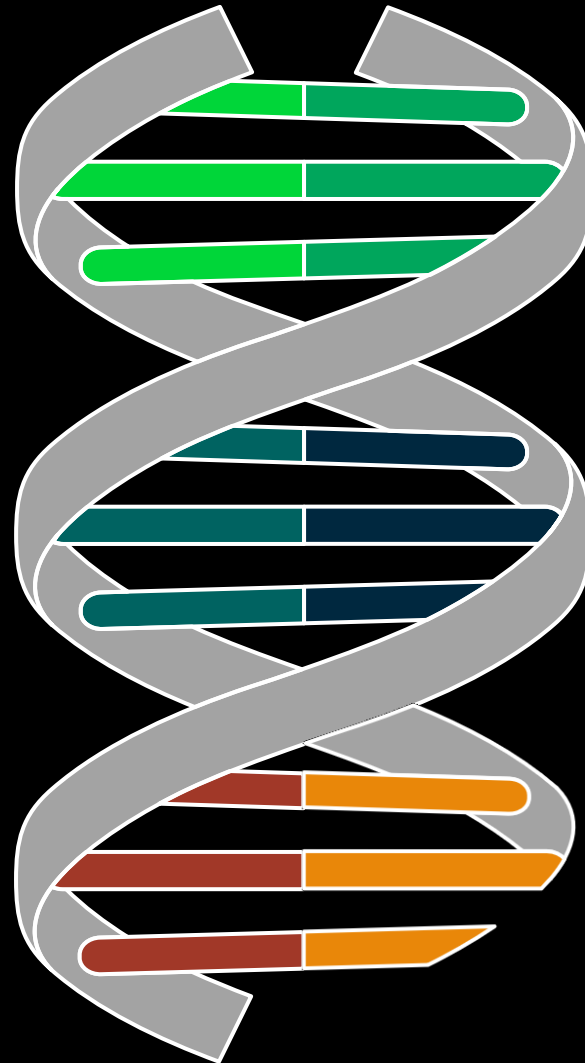
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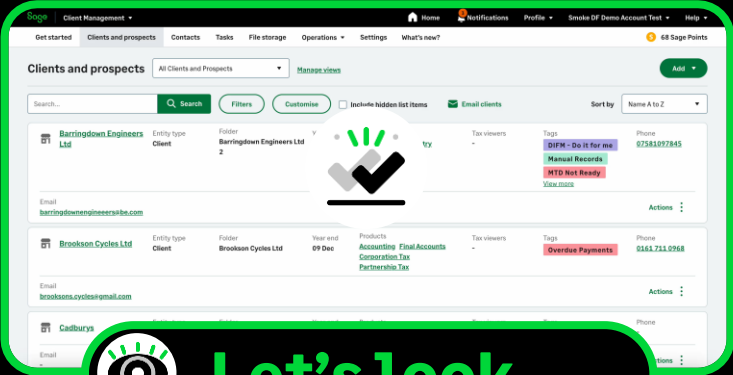
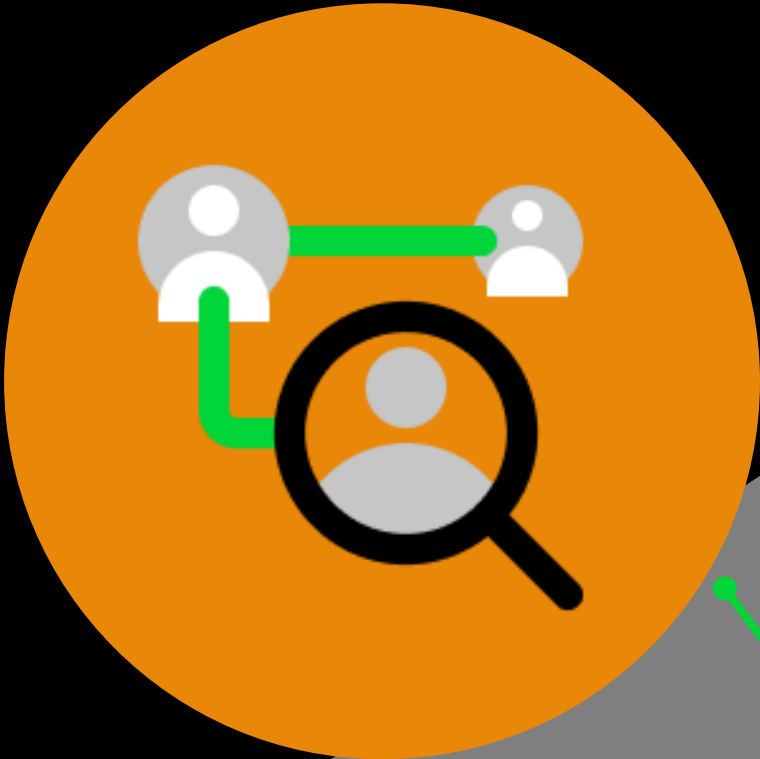
Communication and fees

- Fee structure review and needs.
- Payment method and reliability.
- Client proactivity.
- Client interaction status.

Education and training

- Client awareness
- Colleague awareness
- Client events – general or sector specific
- Software partners

Step-by-step

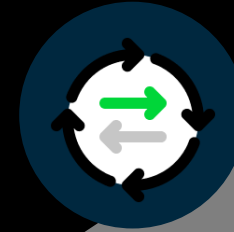


Let's look.

STEP 01

Identify and segment clients in scope

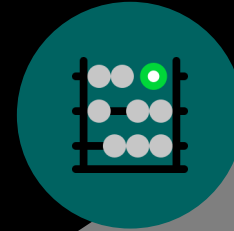
Step-by-step



STEP 02

Set up your client in your
Agent Services Account

Step-by-step

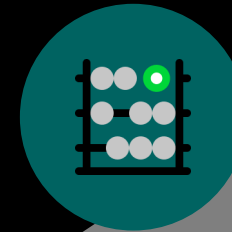


STEP 03

Set up digital record-keeping
& register the client for MTD



Step-by-step

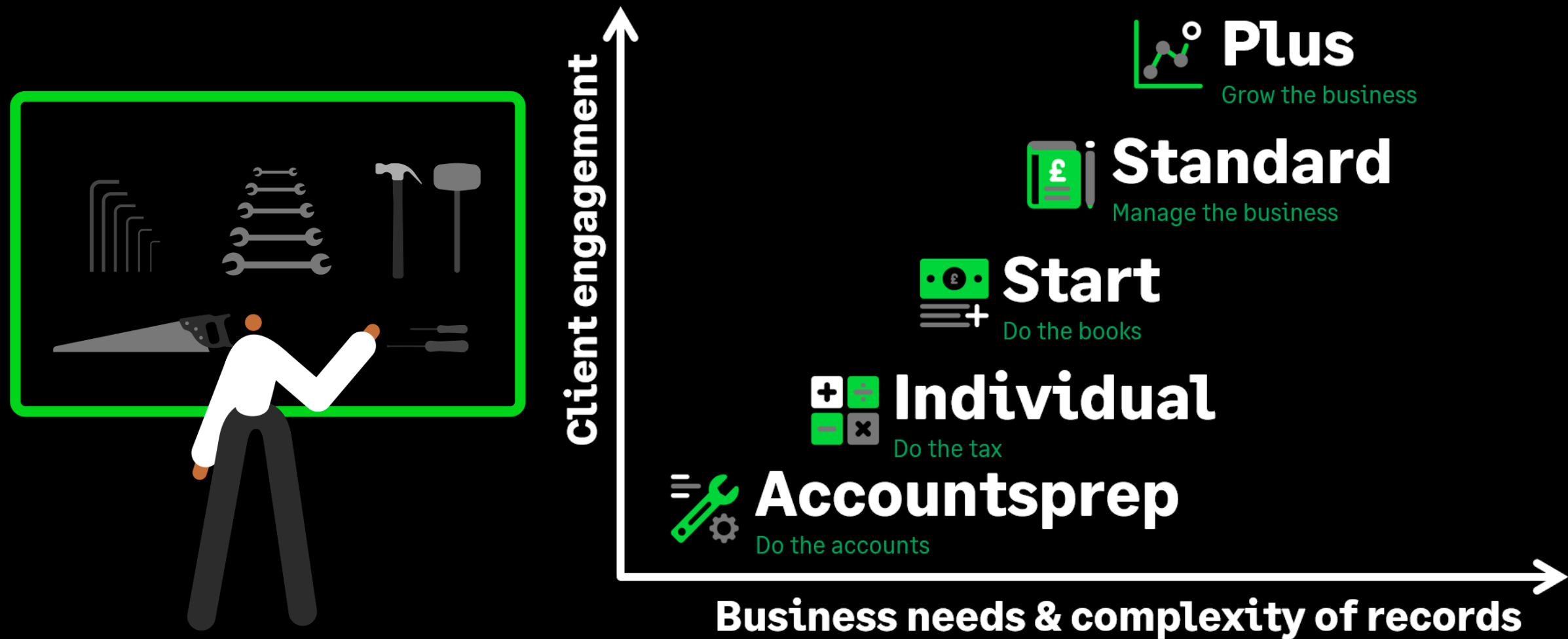


STEP 03

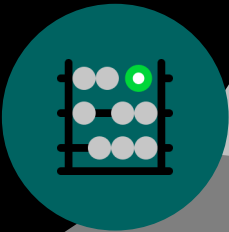
Set up digital record-keeping
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A **plan** for everyone



Step-by-step

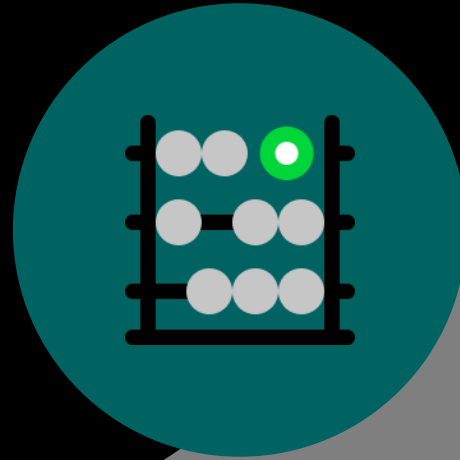


STEP 03

Set up digital record-keeping
& register the client for MTD



Step-by-step



STEP 04

Submit the quarterly
update to HMRC

Planning for submissions

“Standard”

6 Apr to 5 Jul

1 Update

6 Apr to 5 Oct

2 Update

6 Apr to 5 Jan

3 Update

6 Apr to 5 Apr

4 Update

“Calendar”

1 Apr to 31 Mar

1 Apr to 30 Sept

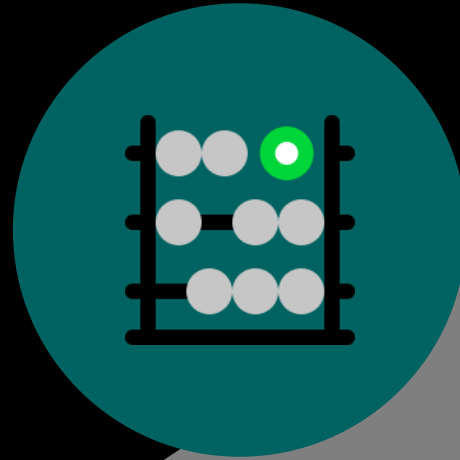
1 Apr to 31 Dec

1 Apr to 31 Mar



				2026												2027							2028															
Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar								
7	6	5	4	3	2	1	-1	-2	-3	-4																												
2025/26							2026/27														2027/28																	
							Qtr 1				Qtr 2				Qtr 3				Qtr 4				Qtr 1				Qtr 2				Qtr 3				Qtr 4			

Step-by-step

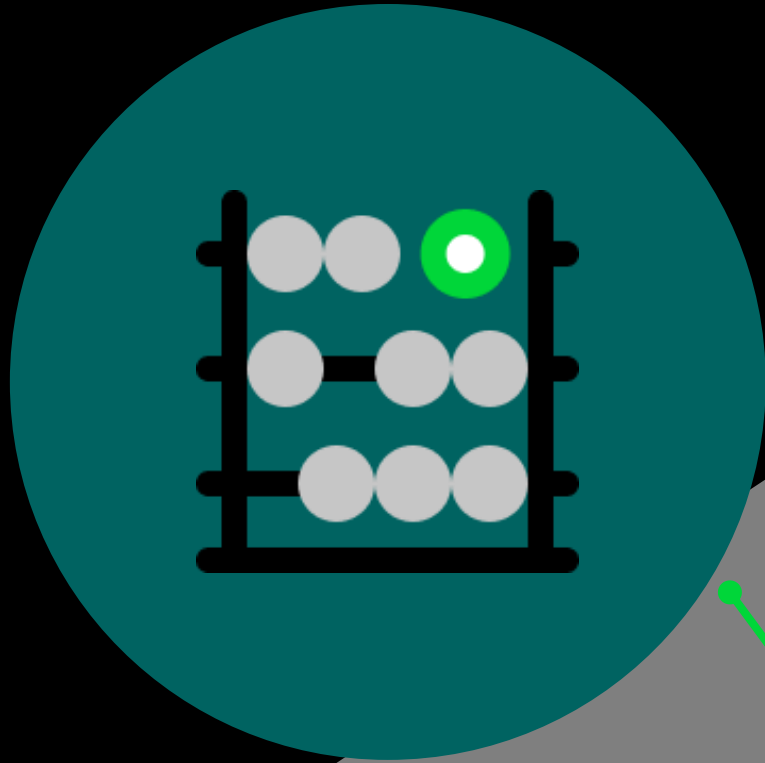


Let's look.

STEP 04

Submit the quarterly
update to HMRC

Step-by-step



STEP 05

Prepare year-end accounts
and adjustments

Step-by-step



STEP 06

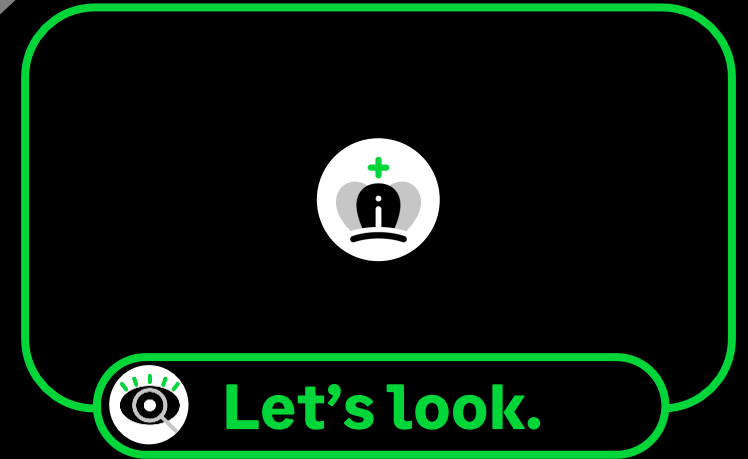
Gather other sources of taxable income and apply relevant allowances

Step-by-step



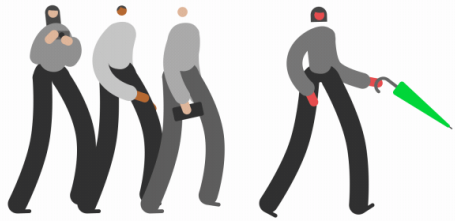
STEP 07

Prepare and submit the
Tax Return



Client Engagement

Action



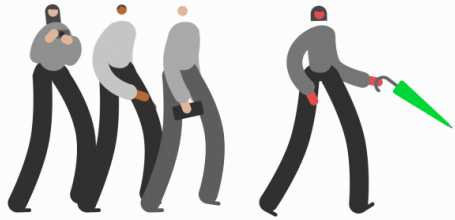
Engagement

Client communication

- Be proactive, before HMRC
- Explain What, When, How, Who and Where of MTD
- Listen to concerns: costs, technology and readiness
- Advocate the benefits of digitalisation
- Provide guidance to the future with e-invoicing
- Share the support and training available
- Weave MTD into every communication touchpoint

Colleague Engagement

Action

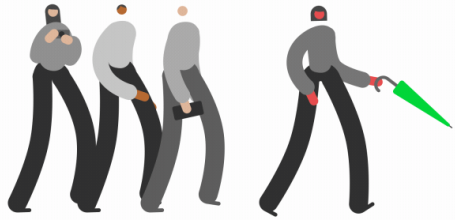


Engagement

- Education and training on the legislation
- Benefits for the clients
- Practice wide impact and benefits
- Seek ideas and brainstorm
- Clearly define roles, responsibilities and champions
- Nurture knowledge sharing
- Celebrate small wins and milestones

Technology Engagement

Action



Engagement

- Be inquisitive
- Seek demos and training
- Full technology stack review and beyond the ledger
- Support for both the practice and clients
- Ask to collaborate for client focussed events
- Validate MTD compatibility from ledger to tax return
- Partner with those leveraging Gen AI

The Challenge

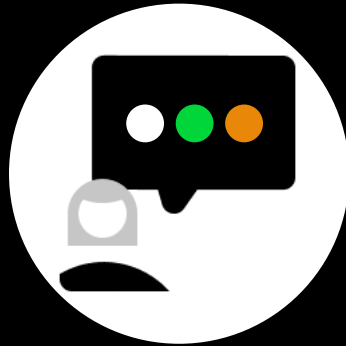
Review, **reprice**, reengage **every client** in advance of **April 2026**



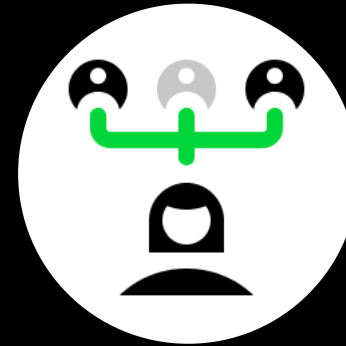
Clients
unaware of
MTD for
Income Tax.



No pricing
experience for
the **new** “MTD”
approach.



Too many
conversations,
too little time.



Lack of
delegated
pricing
strategy.



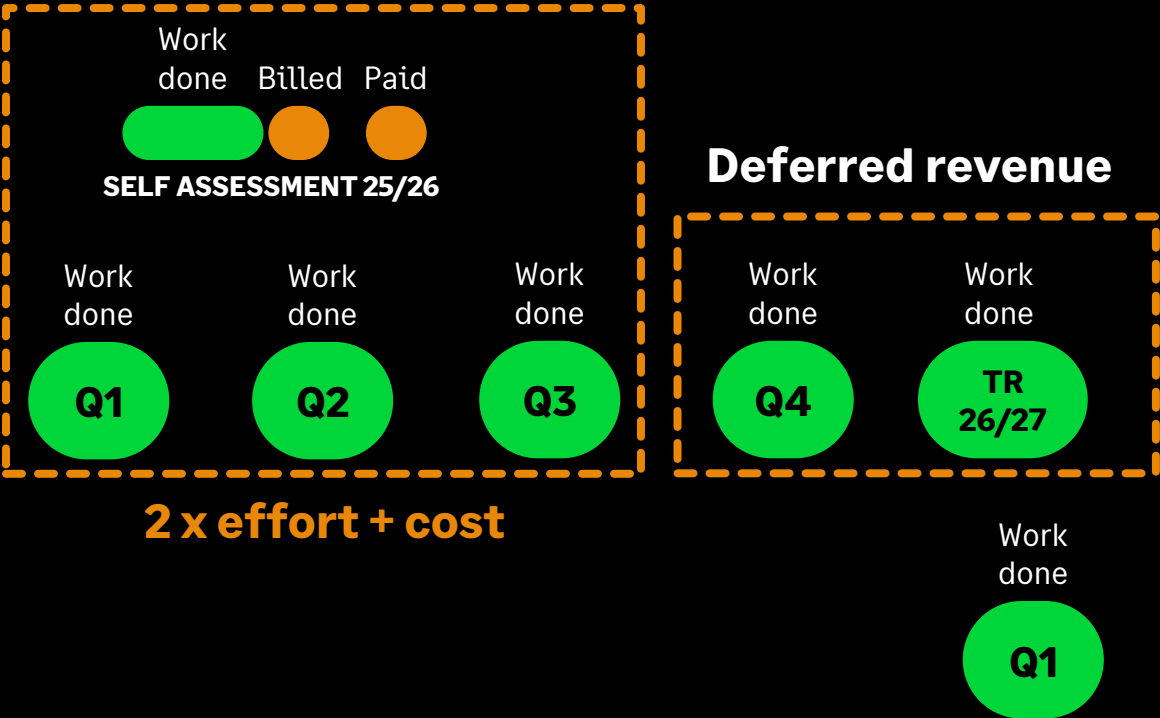
New revenue
recognition
rules effective
Jan 2026.

Planning for pricing

Self
Assessment

MTD
Year 1

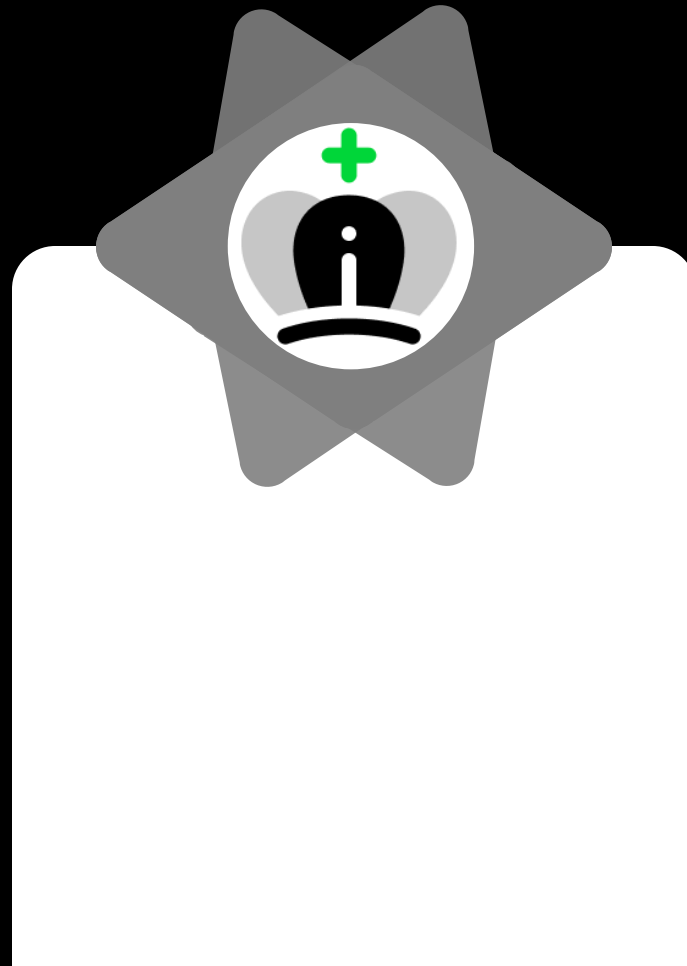
MTD
Year 2



2 x effort + cost

2026									2027												2028											
Jan	Feb	Mar	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£					
3	2	1	MTD Year 1									MTD Year 1																				
			2026/27									2027/28																				
			Qtr 1			Qtr 2			Qtr 3			Qtr 4			Qtr 1			Qtr 2			Qtr 3			Qtr 4			Qtr 1			Qtr 2		

Let us breakdown MTD pricing

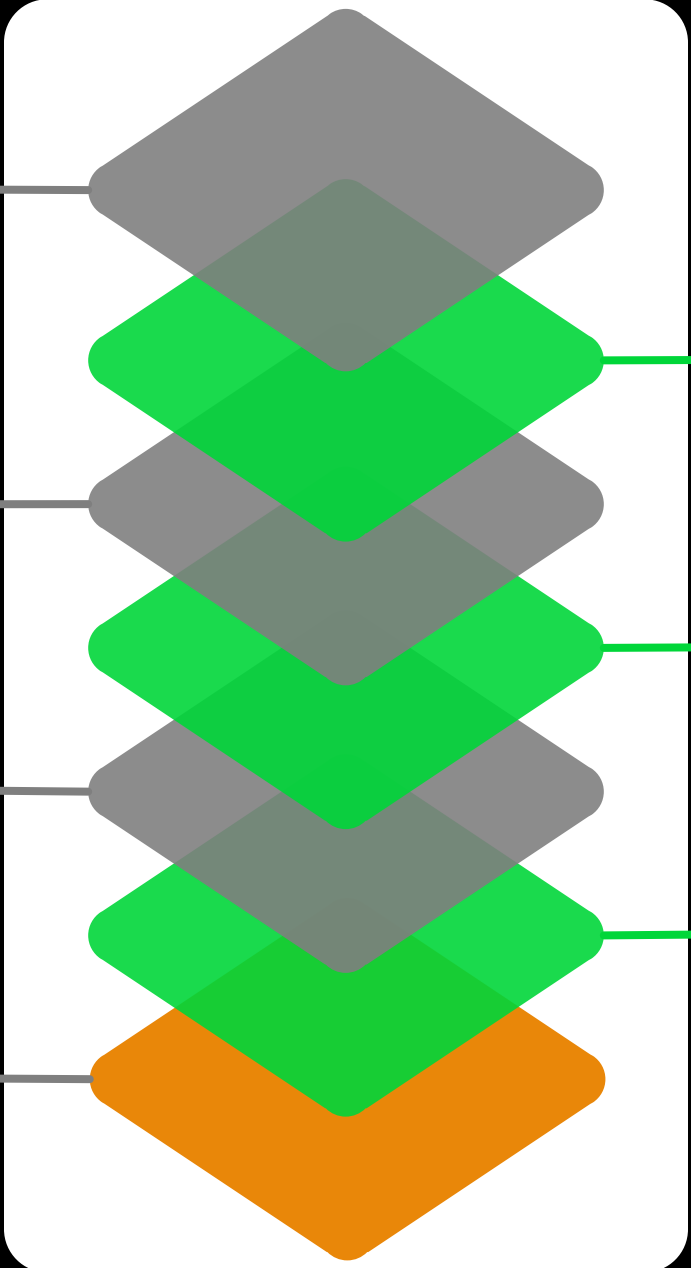


1. Setup and training

3. Data processing

5. Bookkeeping

7. Tax planning

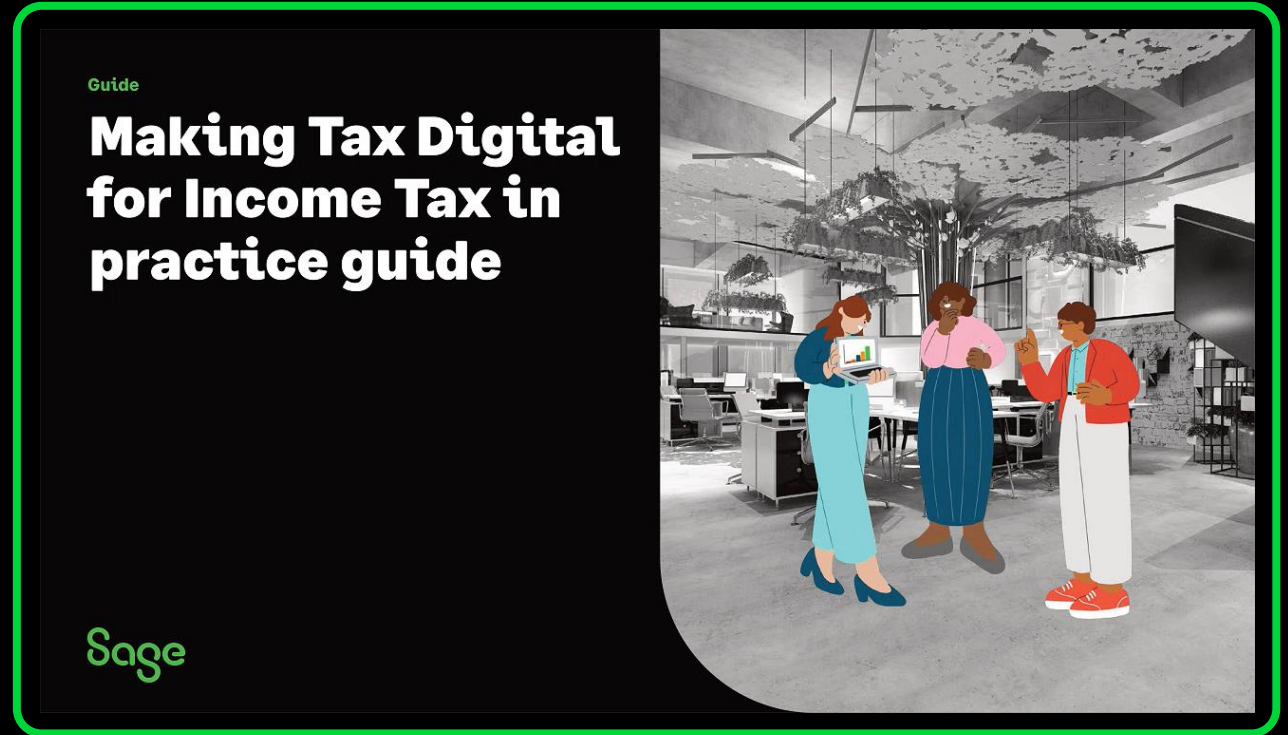
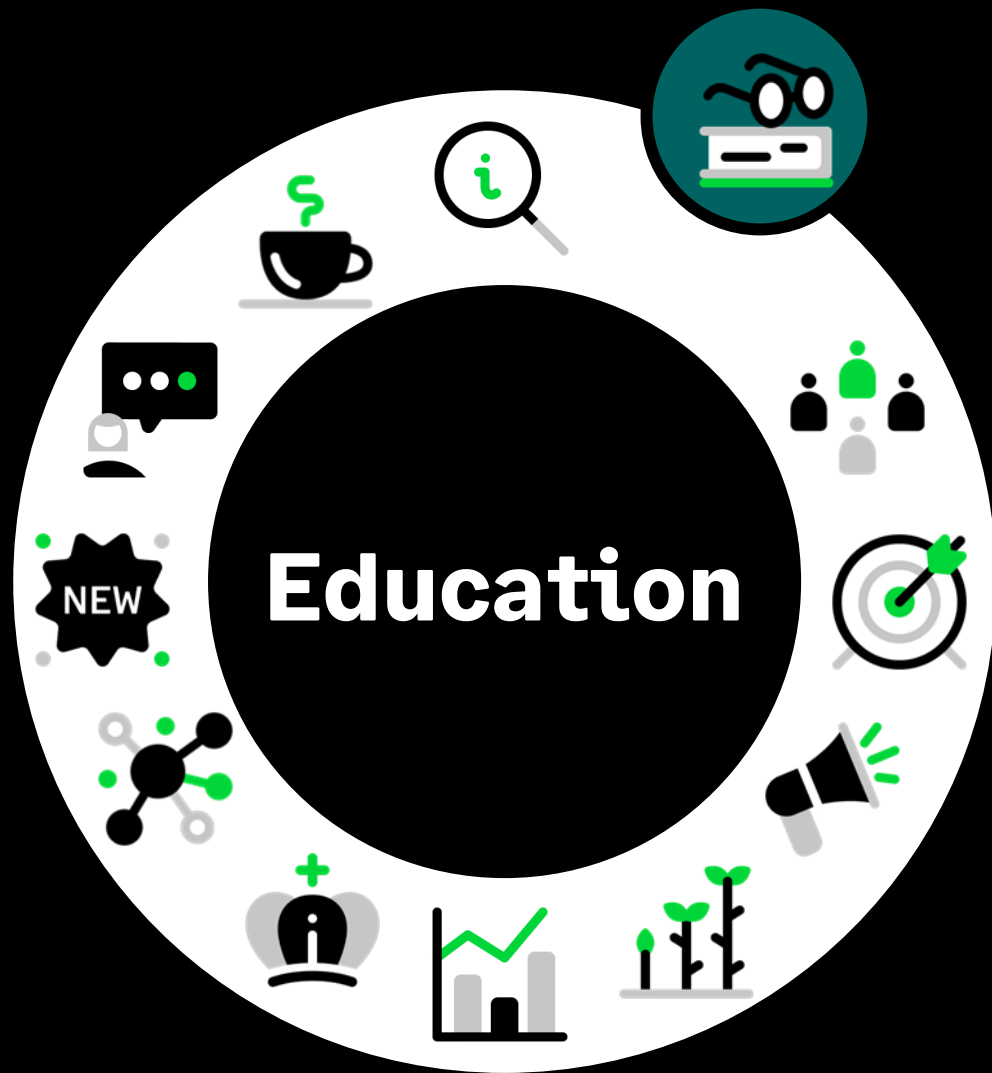


2. Quarterly updates

4. Bank reconciliation

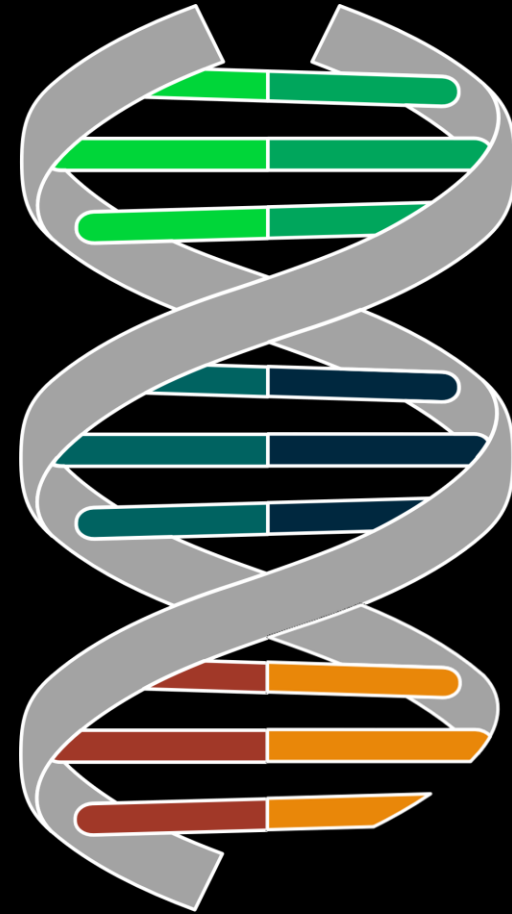
6. Tax Return







Practice DNA: Client Segmentation



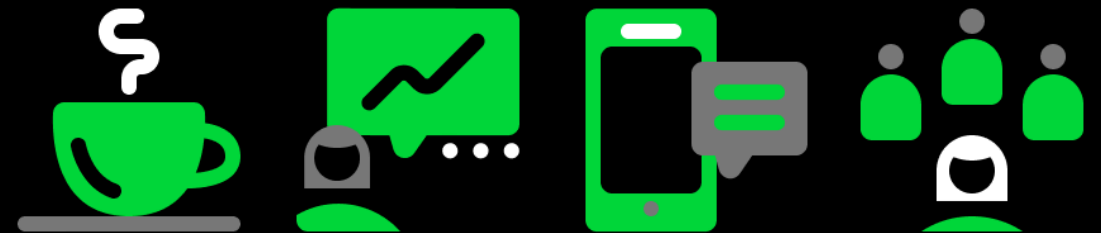


“To achieve great things, two things are needed: a plan and not quite enough time.”

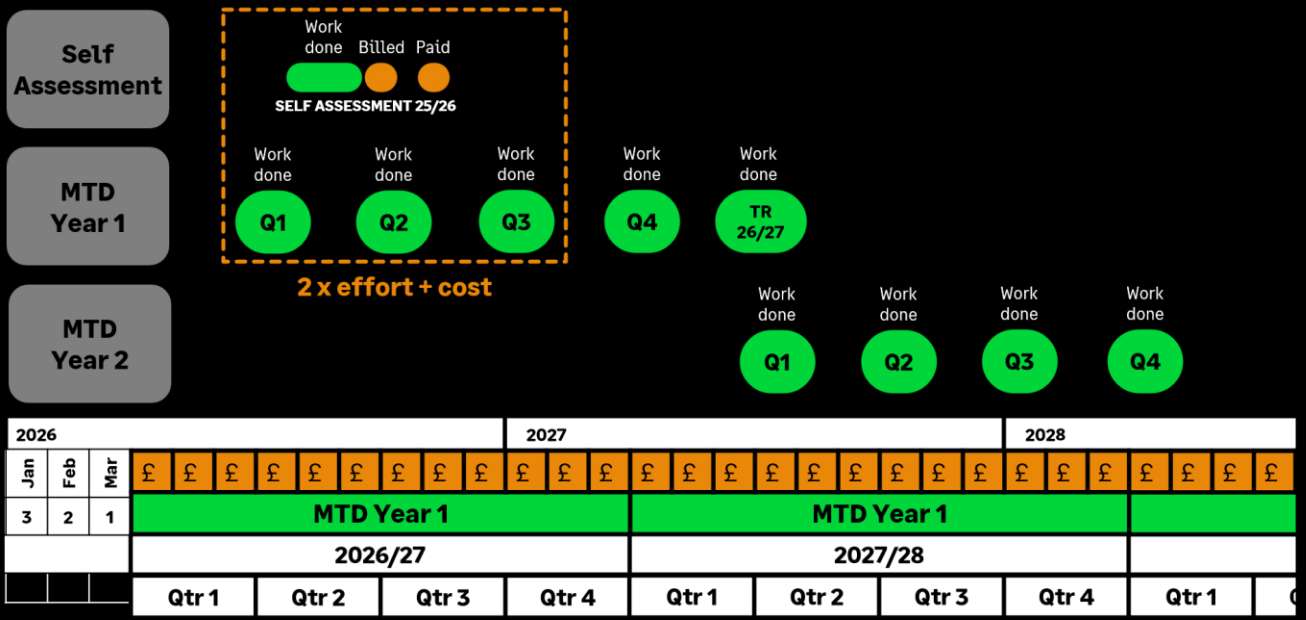
Leonard Bernstein



HMRC will be reaching out to your clients – make sure you get in touch with them first.







Join the HMRC Public Beta with Sage





Client Engagement

Onboarding
KYC & AML
Pricing & Proposals

Client Management

Subscriptions
Tasks & reporting
Email & collaboration

Data Capture & processing

AutoEntry
File storage



Bookkeeping & payroll

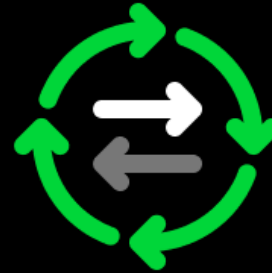
Accounting
Payroll Bureau
AccountsPrep

Accounts Production & Tax

Final Accounts
CT600, personal & partnership tax

Forecasting & reporting

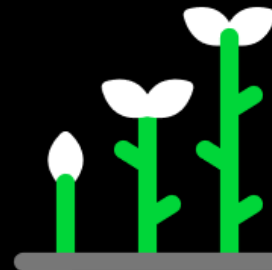
Smart Reporting
Futrli



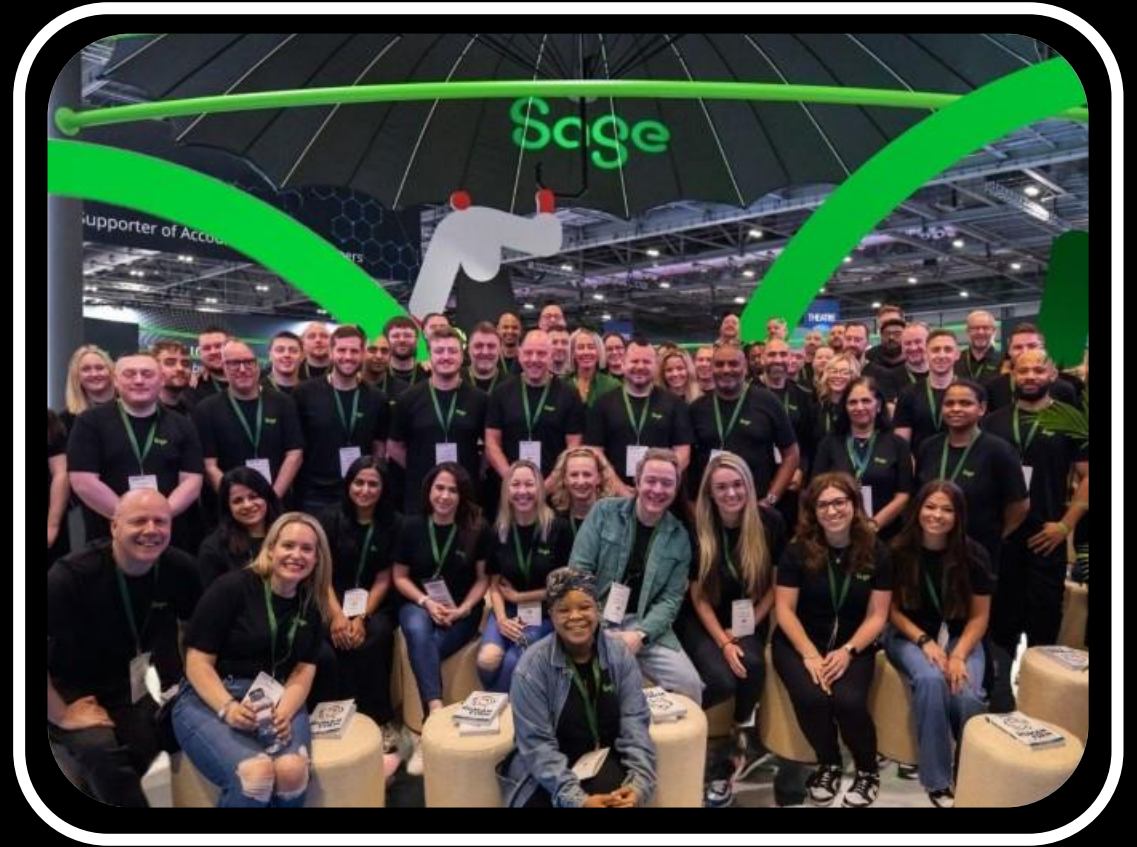
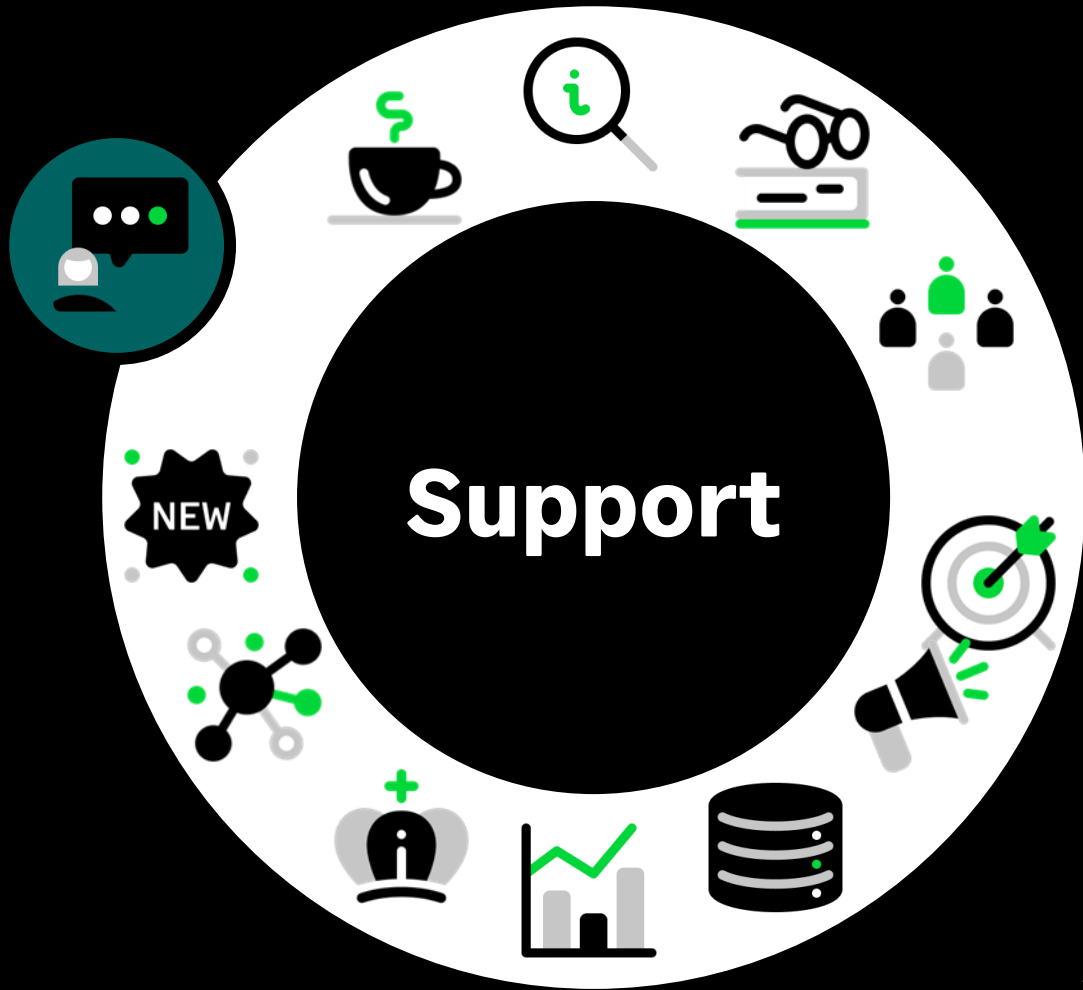
Get work
done **faster**.



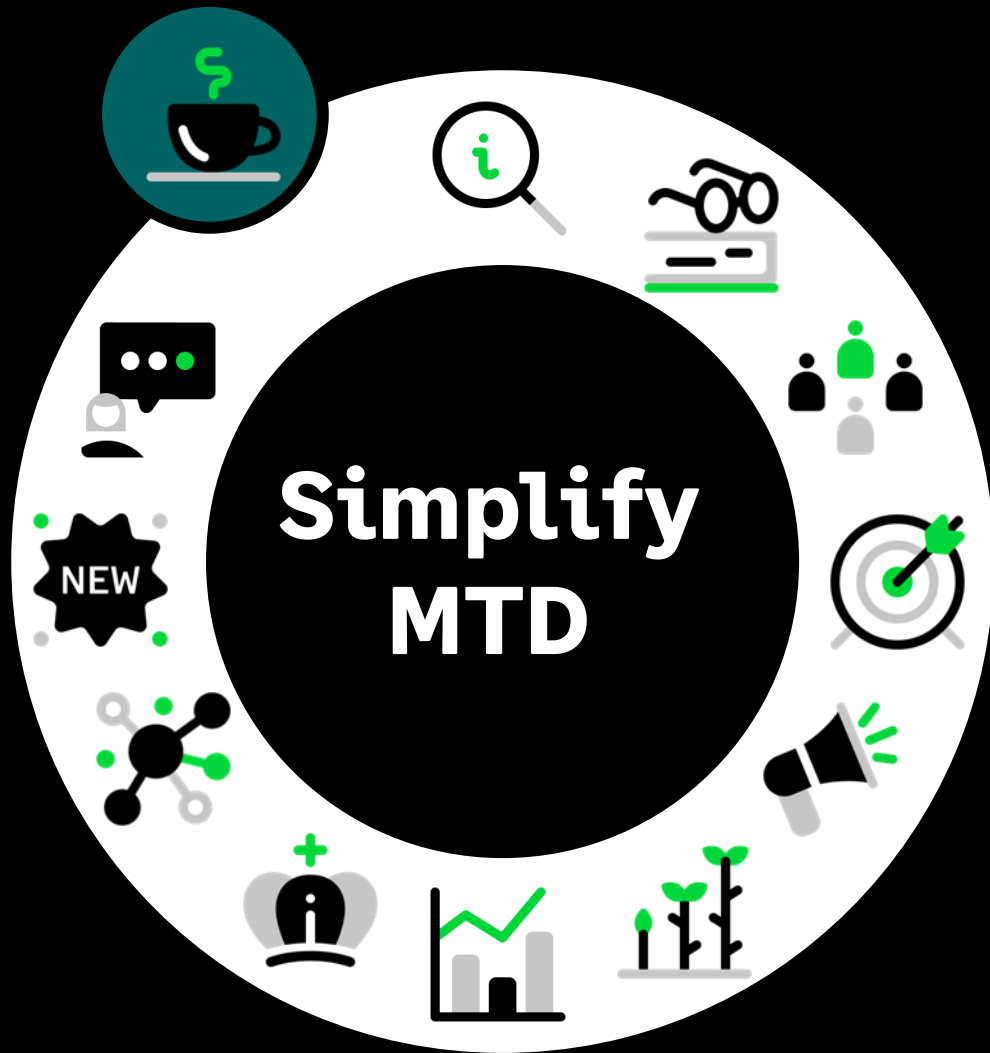
Make **smarter**
decisions.



Get **ahead**.

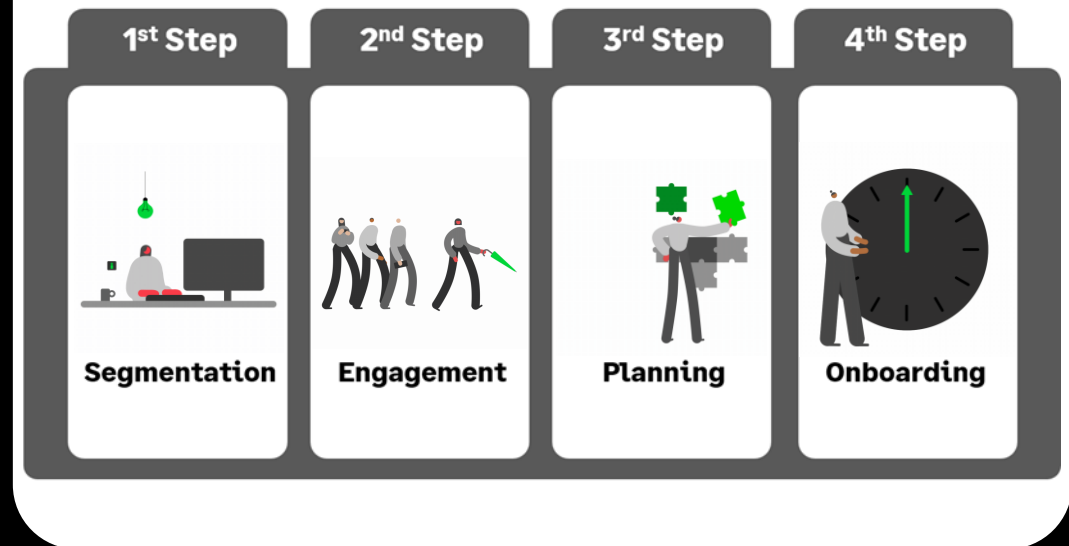


sage.com/uk/mtdsupporthub



HOW do we **simplify**?

Pick the set of big **actions** you need to take to win – your strategic choices





Build your MTD for Income
Tax plan with **Sage**.

For more support view:
sage.com/mtd

sage.com/uk/mtdsupporthub

Sage MTD roadshows

Register: sage.com/uk/mtdevents

- Understand key MTD for Income Tax **requirements**, **timelines**, and **preparation** steps.
- Address your pressing questions directly with insights from **Sage experts**.
- Build effective strategies for **client support**, **pricing**, and **transitioning to digital tax processes**.
- Gain confidence on the MTD compliant software choices available and how to implement them.
- Discover how **AI** can be implemented effectively - and see innovation in action with **Sage Copilot**.
- Meet, collaborate and network with fellow accountants and bookkeepers.



19 Jun: Cambridge
24 Jun: Brighton
25 Jun: Birmingham
02 Jul: Newcastle
08 Jul: Exeter
10 Jul: Liverpool