



## **Pegasus Opera 3**

**Checklist guide for switching on MTD for VAT**



**Pegasus Opera 3**  
**Checklist guide for switching on MTD for VAT**  
**Version 1.0**  
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Opera3 (2.60)  
Scheduler (2.20)

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## Introduction

Making Tax Digital (MTD) is a government initiative designed to transform the tax system and to end the use of the tax return for a great many taxpayers. It is intended to make it easier for businesses and individuals to maintain records and to get their tax correct. Under Making Tax Digital for VAT, businesses will be required to keep records digitally and send VAT return data to HMRC online.

Making Tax Digital for VAT comes into force on 1 April 2019 and will apply for most businesses with annual sales over the VAT threshold of £85,000. If Making Tax Digital for VAT applies to you, you'll have to use digital tools to keep records of your income and costs.

Until 1 April 2019 you can use the free Government Gateway for entering your VAT return, but for your first full VAT period after 1 April 2019 you will need to use Making Tax Digital for VAT software to submit your VAT returns.

You will not have to follow the Making Tax Digital for VAT rules where HMRC is satisfied of the following:

- The business is run entirely by practicing members of a religious society whose beliefs are incompatible with the requirements of the regulations (for example, those religious beliefs prevent them from using computers).
- It is not reasonably practicable for the business to use digital tools to keep your business records or submit your returns, for reasons of age, disability, remoteness of location or for any other reason.
- The business is subject to an insolvency procedure.

A six-month deferral period will apply to businesses who fall into one of the following categories. These groups will be mandated to use Making Tax Digital for VAT from 1 October 2019.

- Trusts
- Not for profit organisations that are not companies (this includes some charities)
- VAT divisions and VAT groups
- Public sector entities that are required to provide additional information alongside their VAT return (such as Government departments and NHS Trusts)
- Local authorities and public corporations
- Traders based overseas
- Those required to make payments on account
- Annual accounting scheme users

For more details please visit [www.gov.uk](http://www.gov.uk) and read these articles:

- [Overview of Making Tax Digital](#)
- [Vat-notice-70022-making-tax-digital-for-vat](#)

## Summary of product changes

The following new features have been added for Making Tax Digital for VAT:

- New options on the *Company Profiles* screen to switch on Making Tax Digital for VAT at the appropriate time.
- The new *MTD VAT Centre*, which is used for the following:
  - Authorising your Pegasus Opera 3 software with HMRC for Making Tax Digital for VAT.
  - Creating VAT codes, including a new 'J' type code for posting end of period VAT adjustments.
  - Posting VAT adjustments to amend box values either before or after committing your VAT data to the VAT period, retaining a record for audit purposes.
  - Automatically consolidating VAT transactions into the group company in Pegasus Opera 3 when the VAT periods are committed in the subsidiary companies. Subsidiary companies must have the same VAT Registration Number.
  - Monitoring the current VAT Return values and viewing box values for previous submissions.
  - Submitting VAT Returns to HMRC using the HMRC Making Tax Digital for VAT 'API'.
  - Printing previously submitted VAT Returns using the printer button on the toolbar.
- A new version of Pegasus Scheduler must be installed. Pegasus Scheduler (2.20) provides the secure communication mechanism that makes it possible to submit VAT Returns to HMRC from the *MTD VAT Centre* using the HMRC Making Tax Digital for VAT 'API'. Pegasus Scheduler is installed separately to Pegasus Opera 3.

## Additional guide for Making Tax Digital for VAT

This additional guide for Making Tax Digital for VAT is available at [docs.pegasus.co.uk](https://docs.pegasus.co.uk).

Guide to product changes	This guide is provided so that you understand the changes in Pegasus Opera 3 and Pegasus Scheduler for Making Tax Digital for VAT.
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## Frequently asked questions

An FAQ guide covering frequently asked questions about Making Tax Digital for VAT is available on the Pegasus Opera 3 User Guides page at [docs.pegasus.co.uk](https://docs.pegasus.co.uk).

## Software versions

Before using these checklists, make sure the following software is installed:

- Pegasus Opera 3 (2.60)
- Pegasus Scheduler (2.20).

## Pegasus 'Copy Company' utility

If the Pegasus Copy Company utility has been used on site, for example for a software test, the copied company will also have the same VAT Registration Number as the live company.

Before switching on Making Tax Digital for VAT you MUST anonymise the VAT Registration Number in the copied companies, for example changing it to '999999999'. If this isn't done the test company will be considered a subsidiary company of the live company and VAT values will be consolidated.

## Switching on MTD for VAT in Pegasus Opera 3 (single company)

This checklist should be used in conjunction with the flowchart in the next section of the guide.

**IF YOU HAVE MORE THAN ONE OPERA 3 COMPANY YOU MUST COMPLETE THE STEPS FOR EACH COMPANY.**

**ALSO, IF ADDITIONAL SYSTEMS ARE USED, YOU MUST COMPLETE THIS PROCESS IN EACH COMPANY IN EACH SYSTEM.**

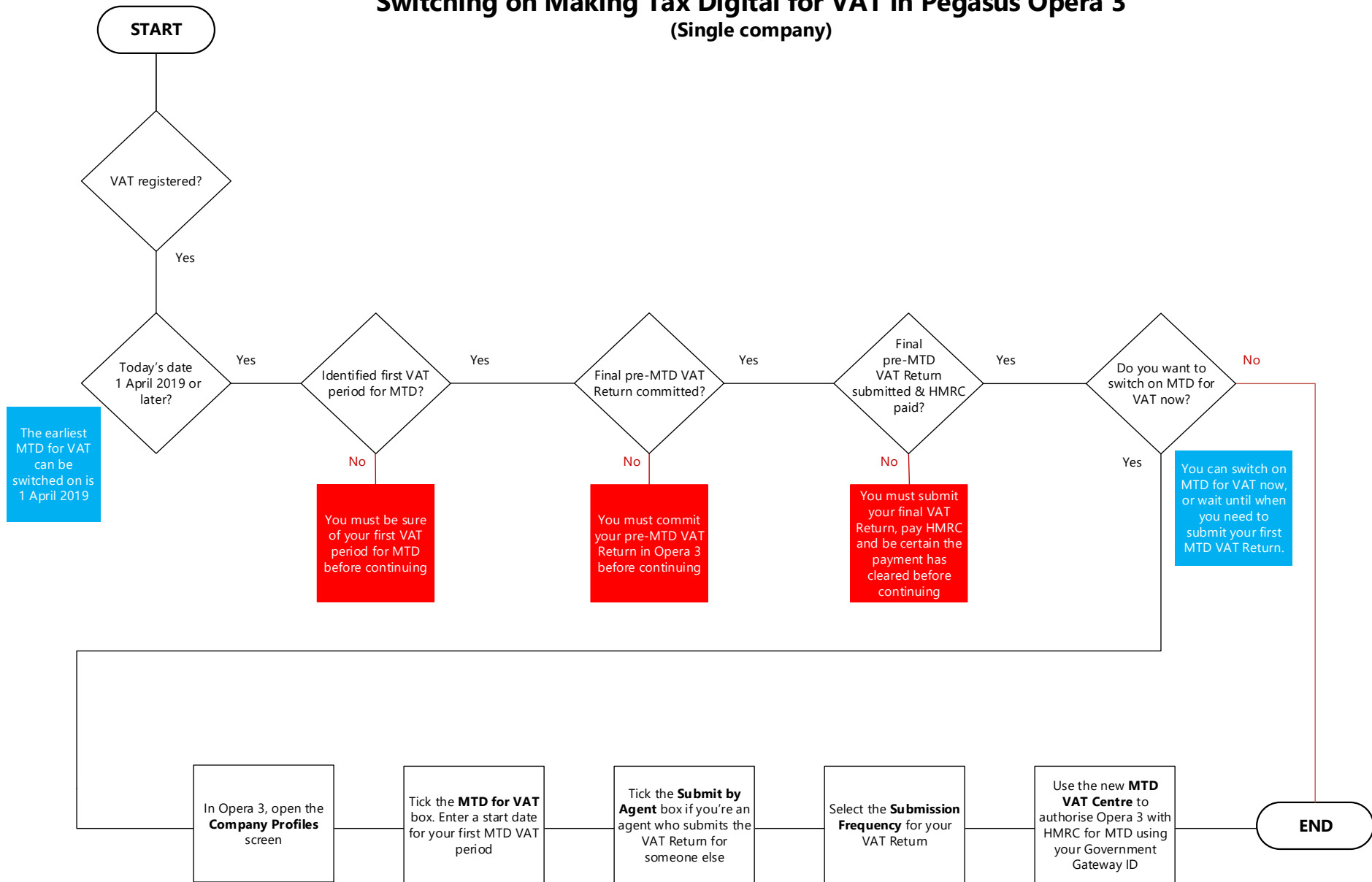
You must sign up for Making Tax Digital for VAT with HMRC before switching it on in Pegasus Opera 3. The earliest that you can switch on Making Tax Digital for VAT is 1 April 2019.

Making Tax Digital for VAT rules apply to business from the first full VAT period starting on or after 1 April 2019.

Before switching on Making Tax Digital for VAT in Pegasus Opera 3		✓
1.	Identify your first VAT period for Making Tax Digital for VAT. You must be sure of your first VAT period for MTD before continuing.	
2.	Commit your final pre-MTD VAT Return using the <i>System - VAT Processing - VAT Return</i> form. You must commit your pre-MTD VAT Return in Opera 3 before continuing.	
3.	Submit your final pre-MTD VAT Return using the current method, and then pay HMRC. You must submit your final VAT Return, pay HMRC and be certain the payment has cleared before continuing.	
Switch on Making Tax Digital for VAT and update other options ( <i>System - Maintenance - Company Profiles</i> )		✓
4.	Tick the <i>MTD for VAT</i> box and enter a start date. The earliest start date that you can enter is 1 April 2019.	
5.	Tick the <i>Submit by Agent</i> box if you're an agent who will submit the VAT Return on behalf of a customer.	
6.	Select the <i>Submission Frequency</i> (Quarterly, Monthly, Annual, Custom).	
Authorising Pegasus Opera 3 with HMRC for Making Tax Digital for VAT		✓
7.	You will need to use your Government Gateway ID to grant authority to Pegasus Opera 3 to interact with HMRC for Making Tax Digital for VAT. Have your Government Gateway ID to hand before continuing. HMRC will send an access code to your mobile phone, landline or other device. You might need to confirm who you are by answering some security questions on, for example, your passport, P60 or other documents.	

<b>8.</b>	Open the MTD VAT Centre ( <i>System - MTD VAT Centre</i> ). A message is displayed that asks you whether you want to authorise your Pegasus Opera 3 software. Select 'Yes' and follow the instructions on the screen.	
<b>9.</b>	Once you have authorised your Pegasus Opera 3 software with HMRC you can use the MTD VAT Centre to post adjustments to your VAT Return, commit VAT transactions to the VAT Return and submit your VAT Return to HMRC.	

# Switching on Making Tax Digital for VAT in Pegasus Opera 3 (Single company)





## Switching on MTD for VAT in Pegasus Opera 3 (Multiple company VAT consolidation)

This checklist is relevant for multiple company VAT consolidation where the same VAT Registration Number is recorded for more than one company in Pegasus Opera 3.

This checklist should be used in conjunction with the flowchart in the next section of the guide.

**IF ADDITIONAL SYSTEMS ARE USED, YOU MUST COMPLETE THIS PROCESS IN EACH SYSTEM. VAT CONSOLIDATION DOES NOT WORK ACROSS ADDITIONAL SYSTEMS.**

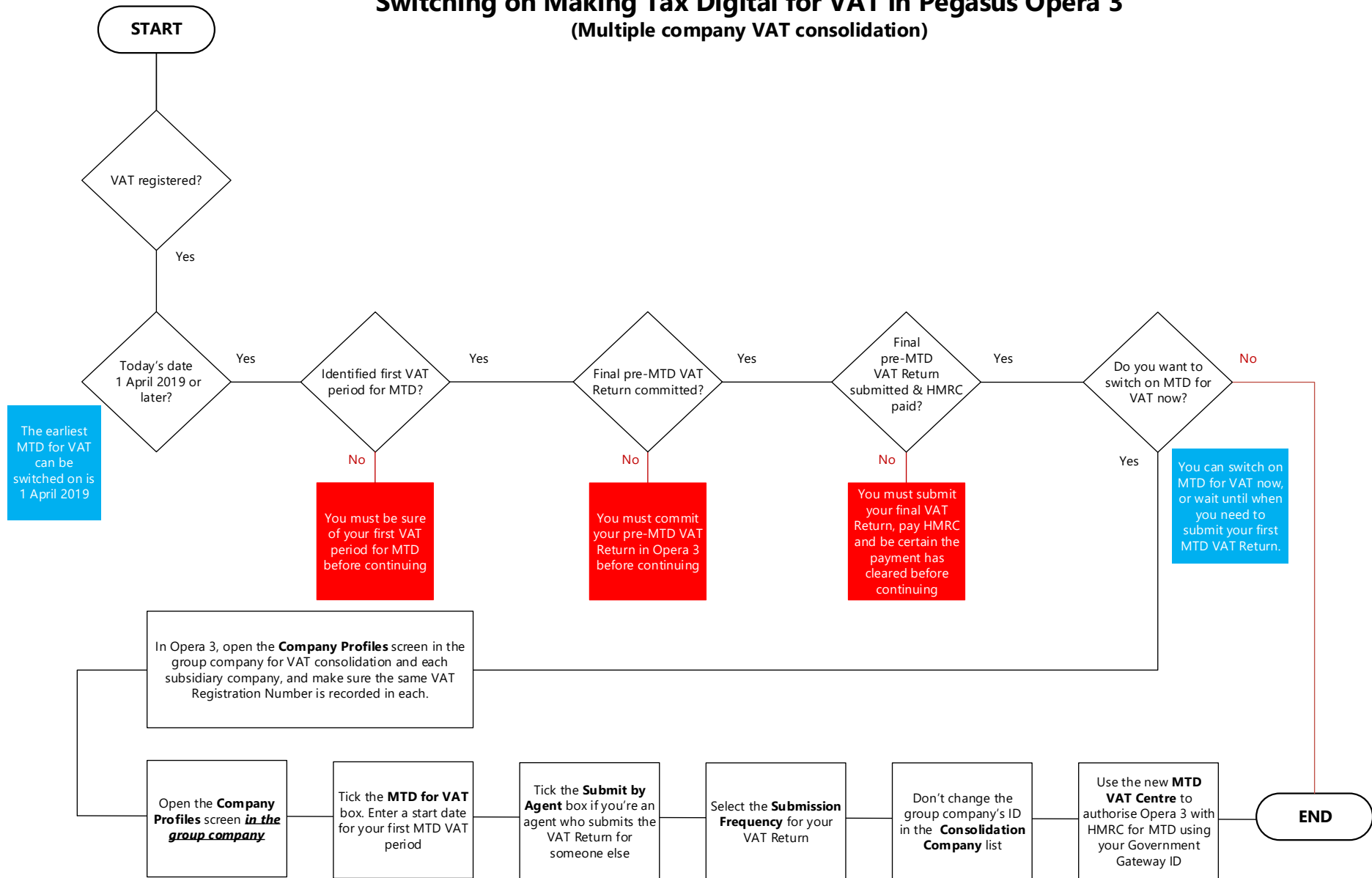
You must sign up for Making Tax Digital for VAT with HMRC before switching it on in Pegasus Opera 3. The earliest that you can switch on Making Tax Digital for VAT is 1 April 2019.

Making Tax Digital for VAT rules apply to business from the first full VAT period starting on or after 1 April 2019.

Before switching on Making Tax Digital for VAT in Pegasus Opera 3		✓
1.	Identify your first VAT period for Making Tax Digital for VAT. You must be sure of your first VAT period for MTD before continuing.	
2.	Commit your final pre-MTD VAT Return using the <i>System - VAT Processing - VAT Return</i> form. You must commit your pre-MTD VAT Return in Opera 3 before continuing.	
3.	Submit your final pre-MTD VAT Return using the current method, and then pay HMRC. You must submit your final VAT Return, pay HMRC and be certain the payment has cleared before continuing.	
4.	Make sure the same VAT Registration Number is recorded on the Company Profiles form in Pegasus Opera 3 for the group company for VAT consolidation and each subsidiary company ( <i>System - Maintenance - Company Profiles</i> ).	
<u>In the group company</u> in Pegasus Opera 3, switch on Making Tax Digital for VAT and update other options on the <i>Company Profiles</i> form. After completing the next steps the subsidiary companies will automatically be set to match the MTD settings for the group company.		✓
5.	Tick the <i>MTD for VAT</i> box and enter a start date. The earliest start date that you can enter is 1 April 2019.	
6.	Tick the <i>Submit by Agent</i> box if you're an agent who will submit the VAT Return on behalf of a customer.	
7.	As you are completing these steps in the group company, don't change the group company's ID in the <i>Consolidation Company</i> list.	
8.	Select the <i>Submission Frequency</i> (Quarterly, Monthly, Annual, Custom).	

Authorising Pegasus Opera 3 with HMRC for Making Tax Digital for VAT		✓
9.	<p>You will need to use your Government Gateway ID to grant authority to Pegasus Opera 3 to interact with HMRC for Making Tax Digital for VAT.</p> <p>Have your Government Gateway ID to hand before continuing. HMRC will send an access code to your mobile phone, landline or other device. You might need to confirm who you are by answering some security questions on, for example, your passport, P60 or other documents.</p>	
10.	<p>In the group company, open the MTD VAT Centre (<i>System - MTD VAT Centre</i>). A message is displayed that asks you whether you want to authorise your Pegasus Opera 3 software. Select 'Yes' and follow the instructions on the screen.</p>	
11.	<p>Once you have authorised your Pegasus Opera 3 software with HMRC you can use the MTD VAT Centre to post adjustments to your VAT Return, view a group consolidation summary, commit VAT transactions to the VAT Return and submit your VAT Return to HMRC.</p>	

# Switching on Making Tax Digital for VAT in Pegasus Opera 3 (Multiple company VAT consolidation)



## Notes

Use this page to take any required notes.