



28 February 2019

Rt Hon Nicky Morgan MP
Chair - Treasury Select Committee
House of Commons
London SW1A 0AA

Dear Nicky

MAKING TAX DIGITAL

Thank you for your recent letter regarding my appearance in front of the Treasury Select Committee as part of your inquiry into VAT.

While ICAEW is supportive of HMRC's digital transformation initiative, we do not support mandation of Making Tax Digital (MTD) for VAT from 1 April 2019 – businesses will adopt digitalisation where they see clear benefits for their businesses. Further, making this mandatory at a time when SMEs are clearly not ready and when businesses are preparing for the UK's departure from the European Union merely days beforehand is unwelcome.

In advance of MTD for VAT coming into effect, ICAEW has been working to prepare our members for MTD and engaging with HMRC on what further steps they should be taking to communicate with small businesses.

I know that you and some other colleagues were unable to attend the evidence session and so would be happy to brief you all collectively, or individually, in Parliament to discuss this in further detail.

If this is of interest, please contact our Public Affairs team at Daniel.Ellis@icaew.com to arrange a date and time.

Yours sincerely

Anita Monteith FCA CTA
Technical Lead and Senior Policy Adviser

CC Members of Parliament on Treasury Select Committee