**HMRC consultation on Making Tax Digital for Corporation Tax: Pro-forma response for charities**

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Dear Making Tax Digital for Business Policy and Design Team

I write to you in my capacity as XXXXX at [Charity/Professional firm] to confirm that we support the submission made by the Charity Tax Group, Charity Finance Group and NCVO in response to the consultation, which states:

1. Making all charities “within the charge to Corporation Tax (CT)” subject to Making Tax Digital (MTD) reporting requirements will not meet the policy objectives set out in the consultation.

1. It will be extremely costly and onerous, not only because all corporate charities (many of them very small) would have to invest in additional software purely for this exercise, but also in staff (and/or volunteer) time in understanding the system and producing the data in the new format.  HMRC should therefore carry out a cost benefit analysis of the merits of including charities within the scope of the reforms.

1. Having conducted our own review, we believe that there is a strong rationale for introducing a general exemption for charities from MTD for CT. HMRC accepted that this was appropriate for all charities in the government response to the MTD for Business consultation in 2016-17 and, notwithstanding the subsequent introduction of MTD for VAT, we see no reason to change that assessment.  As regards the relatively few charities that have a regular corporation tax liability or need to submit a CT return to claim a relief, we consider that there should be separate discussions about how they should be dealt with under MTD for corporation tax.
2. If a general exemption is not possible, only larger charities should be required to comply with rules introduced to ensure that most smaller charities are exempt. In particular, we fail to see any benefits of subjecting charities and their non-charitable subsidiaries to quarterly reporting to HMRC, given this information is not likely to be useful to HMRC. At the very least, there should be a *de minimis* threshold such as effectively applies with MTD for VAT. If smaller charities are required to comply HMRC should give serious consideration to the provision of a free filing software product.

1. The consultation process is an essential opportunity to review the information charities are required to provide in supplementary form CT600E.
2. Proposals for amalgamating filing deadlines for tax returns and accounts could create a serious practical problem for charities and other entities subject to MTD for CT. This should be reconsidered.

Yours sincerely

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