

. E W A

FOR UK ACCOUNTANCY PRACTICES

FIRST EDITION · 2026

The MTD ITSA Practice Playbook

A field guide for small UK accountancy practices preparing for the April 2026 deadline — built around real HMRC guidance, real practitioner pain, and a software stack that actually fits the way you work.

A playbook, not a brochure.

This guide exists because most MTD ITSA content for practitioners is written either by HMRC (rigorous, dry, hard to skim) or by software vendors (less rigorous, less dry, mostly trying to sell you something). What's missing is the in-between: the practical "what do I actually do with my Tuesday morning" layer.

I've written this for the practice you probably run: one to ten people, a portfolio that's mostly Self Assessment with a long tail of sole traders and landlords, and not nearly enough capacity to absorb a quadrupling of HMRC touchpoints without a plan. That's the situation MTD ITSA is about to put you in.

The playbook is short by design. It assumes you already know what MTD is, broadly. It will not waste your time re-explaining the basics. What it will do is:

- Name the three pain points quietly breaking small practices, and what to do about each.
- Distil the HMRC bottom line: what's mandatory, when, and the wording you can paste into client emails.
- Hand you a quarterly cadence calendar, a 12-month practitioner-side rhythm, a client triage spreadsheet, three comms templates, and a must-do checklist for the months between you and 6 April 2026.
- Show where .EWA fits: the partner programme, the white-label option, the revenue share, the honesty that you don't have to use one piece of software for everyone.

One housekeeping note. This guide is not a substitute for HMRC guidance, your CPD, or your professional judgement. Where HMRC has said something definitive I quote or paraphrase with a source on the back page. Where I draw on practitioner conversations I say so. Where the .EWA pitch appears I've kept it scoped to the partner offer; everything else is the playbook you'd hope a peer would hand you over coffee.

A NUDGE BEFORE YOU READ

The practices that prepared early for MTD VAT had the calmest 2019. The same will be true of MTD ITSA in 2026. The only question is whether you started in spring 2025 or autumn 2025. If you're reading this in early 2026, you're not late but you no longer have months in hand. You have weeks.

Three pain points quietly breaking small practices.

Every practitioner I've spoken to about MTD ITSA mentions some version of these three. The first is structural, the second is cultural, the third is commercial. All three are solvable, but only if you name them out loud.

1 The capacity crunch is mathematical, not motivational.

A sole-trader Self Assessment client currently touches your practice once a year (more if they're disorganised). Under MTD ITSA, that same client touches your practice four times a year for quarterly updates plus once for the Final Declaration. That's five touchpoints, not one. If forty of your clients move into Phase 1, you've just added 160 quarterly checkpoints to a year that previously had forty annual ones. There is no "work harder" that closes that gap. Either software does most of the heavy lifting, or your January looks like every other month.

.EWA'S ANGLE

A single dashboard for up to 80 clients with auto-categorised transactions, compliance flags, and one-click quarterly submission. The product is engineered around the idea that the practitioner glances, not keystrokes.

2 The client-education tax is invisible until it isn't.

Around 840,000 sole traders and landlords need MTD-ready software in Phase 1. Most have never heard the phrase "Making Tax Digital" outside the receipt of an HMRC letter telling them they need to comply. You will be the explainer. Plan, conservatively, for 30 to 60 minutes of conversation per affected client just to bring them up to speed: what MTD is, why their spreadsheet no longer qualifies, what they have to do, what you will do, what it costs. Multiply by your client count and that's your education tax.

.EWA'S ANGLE

A co-branded landing page you can send to your client list, plus the three comms templates inside this playbook. The product itself is designed for clients who don't know what categorisation means, so the in-app experience does the second-line teaching.

3 Major-vendor pricing punishes small practices specifically.

Incumbent practice software is priced by client count and gates the useful features (multi-client dashboards, white-label, partner reporting) behind partner-tier subscriptions you only unlock at 20+ paying clients. If your sole-trader portfolio is profitable at £200 to £400 a year per client, a £15 to £40 per-month software cost per client is a margin event, and the partner tier that would actually make the work

tolerable assumes you've already migrated your whole book. Small practices end up either eating the margin compression or sticking with spreadsheets right up until the deadline.

.EWA'S ANGLE

Practice tier at £39 per month flat, first six months free for early partners, no per-client uplift, white-label included rather than gated. The plan covers up to 40 active client files at this price; above that we move you to the next tier (£79 per month, up to 100 clients). The economics are built for a five-to-forty-client portfolio, not for the 200-client firm that doesn't exist in your office.

What's mandatory, and when.

HMRC guidance has been moving steadily for two years. This is the position as of the latest gov.uk publication. Where I use quotation marks the wording is from HMRC; the tables are paraphrased for skim-friendliness. Sources are listed in full on the back page.

From 6 April 2026, sole traders and landlords must use Making Tax Digital for Income Tax if their annual income from self-employment and property is over £50,000.

HMRC · GOV.UK · MAKING-TAX-DIGITAL-FOR-INCOME-TAX

The three phases

PHASE	QUALIFYING YEAR	GROSS INCOME THRESHOLD	MANDATORY FROM
Phase 1	2024–25	over £50,000	6 April 2026
Phase 2	2025–26	over £30,000	6 April 2027
Phase 3	2026–27	over £20,000	6 April 2028
Partnerships	Timeline TBC	To be confirmed by HMRC	

What "qualifying income" actually means

Gross self-employment receipts plus gross property income, before expenses and before tax. Not profit. A few practical points that catch people out:

- **Foreign property income counts** toward the threshold; other foreign income generally does not.
- **Jointly-held property is split.** If a couple jointly owns a rental, each spouse's share counts toward their own qualifying income, not the household's. This means one spouse can be in Phase 1 while the other is not.
- **VAT-registered sole traders** are not exempt. MTD ITSA runs in parallel with MTD VAT; the two regimes share digital-records principles but are separately mandated, with separate sign-up.

HMRC will write, but you can't wait for the letter

If your income is above the relevant threshold HMRC will write to you, confirming that you need to start using Making Tax Digital for Income Tax by the start of the upcoming tax year. If you do not receive a letter, it is still your responsibility to check if and when you need to use Making Tax Digital for Income Tax.

THE PENALTY SOFT-START (AND WHAT IT DOESN'T COVER)

For Phase 1 taxpayers, HMRC has confirmed a "soft landing" for the 2026–27 tax year: **no penalty points will be issued for late quarterly updates** in that first year. Three things the soft-start does *not* cover, and which catch people out:

- Penalty points still apply to a late Final Declaration (due 31 January 2028 for 2026–27).
- Late-payment penalties still apply, on a separate regime. HMRC has extended the initial grace period from 15 to 30 days for the first year, but interest still accrues from the original due date.
- The soft landing does not extend to Phase 2 and Phase 3 cohorts when they're mandated in.

Quarterly updates: dates, deadlines, the Final Declaration.

There are two flavours of quarterly update period, standard and calendar. Whichever you pick, the submission deadlines themselves are the same.

Standard update periods (the default)

QUARTER ENDING	PERIOD COVERED	SUBMISSION DEADLINE
Q1 — 5 July	6 Apr – 5 Jul	7 August
Q2 — 5 October	6 Apr – 5 Oct	7 November
Q3 — 5 January	6 Apr – 5 Jan	7 February
Q4 — 5 April	6 Apr – 5 Apr	7 May

Calendar update periods

QUARTER ENDING	PERIOD COVERED	SUBMISSION DEADLINE
Q1 — 30 June	1 Apr – 30 Jun	7 August
Q2 — 30 September	1 Apr – 30 Sep	7 November
Q3 — 31 December	1 Apr – 31 Dec	7 February
Q4 — 31 March	1 Apr – 31 Mar	7 May

Standard versus calendar: which to pick

Most clients should be on standard. Choose calendar only when one of these applies:

- The client has a 31 March accounting period end and doesn't want to reconcile two slightly different timelines.
- The client thinks in calendar months (bank statements, rent collection dates, salary cycles) and the four-day gap at the start of the tax year creates real reconciliation friction.
- The client's bookkeeping software exports cleanly on month-end but messily on 5 April.

Switching is allowed once a year, before the first quarterly submission of that tax year, and only into standard. Pick once and stick with it for at least a year.

Every 3 months, your compatible software will add together your digital records for each business that you have, to create totals for each income and expense category. These are known as quarterly updates.

HMRC · USE-MAKING-TAX-DIGITAL-FOR-INCOME-TAX/SEND-QUARTERLY-UPDATES

The Final Declaration

The Final Declaration replaces the annual Self Assessment return and is due by 31 January following the end of the tax year. The deadline is the one everyone knows already, but the bookkeeping pipeline that produces it is now quarterly. Tax due remains payable by 31 January.

The client triage spreadsheet.

You can't onboard everyone at once and you shouldn't. The point of triage is to sort your sole-trader and landlord book into four buckets by mandatory date, then work the buckets in order. Build this sheet once, refresh it after each January's tax season, and let it drive your communications.

Recommended columns

COLUMN	WHAT IT HOLDS	WHY IT MATTERS
Client name	As on file.	Sort-friendly identifier.
UTR	10-digit reference.	Needed for sign-up; pre-load now.
Type	Sole trader, landlord, or both.	Shapes the comms and category list.
Gross 24–25	Pre-expense turnover plus rents.	Determines Phase 1 eligibility.
Gross 25–26	Pre-expense estimate.	Determines Phase 2 eligibility.
Phase	1, 2, 3, or below threshold.	The decisive sort column.
Mandatory from	April 2026, 2027, 2028, or N/A.	Drives the comms cadence.
Auth status	64-8 copied to ASA? Date.	Existing SA authority must be migrated to the Agent Services Account; verify there.
Software	Chosen tool, or pending.	You may run more than one tool across the book.
Onboarded	Date signed up.	Closes the loop.
Notes	Free text.	Holiday client, separating, digitally excluded application pending, etc.

Suggested workflow

- August to September 2025:** populate the sheet from your 2024–25 tax-return file. Phase column auto-fills from gross income.
- October 2025:** send Comms Template 1 (Chapter 5) to every Phase 1 client. This is your education-tax payment, done in batch.

3. **November 2025 to January 2026:** onboard Phase 1 clients in waves of five. Use your post-31-January week for batch work, not new clients.
4. **February to March 2026:** dry-run Q1 with three or four willing Phase 1 clients voluntarily, so your first mandatory quarter in August 2026 is your fifth quarter, not your first.

A NOTE ON THE "BELOW THRESHOLD" BUCKET

Don't delete these clients from the sheet. The government has indicated the cohort below £20,000 is under review and rules may extend further down. Keep them tracked, but don't onboard them to MTD-only workflows yet.

Three email templates that do the explaining for you.

These are starting points, not legal documents. Drop your practice name in, edit the tone to match how you usually write to clients, and don't be afraid to add a one-line P.S. with something specific about their situation. That's what makes batch comms feel personal.

TEMPLATE 1 · FIRST TOUCH, PHASE 1 CLIENT (SEND OCT 2025)

Subject: Making Tax Digital — what changes for you on 6 April 2026

Hi [first name],

A heads-up about an HMRC change that will affect you next April. From 6 April 2026, anyone with self-employment or rental income over £50,000 a year has to use software to keep digital records and submit four quarterly updates to HMRC, plus the usual year-end declaration. It's called Making Tax Digital for Income Tax, or MTD ITSA.

Based on your 2024–25 figures, you're in scope. We don't need to do anything dramatic, but we do need to make a couple of decisions in the next few months, mainly which software you'll use and how much of the quarterly submission you want us to handle versus do yourself.

I'll send a follow-up in [month] with our recommendation and the onboarding steps. In the meantime there's nothing you need to do, but if you've heard anything about MTD and have questions, just hit reply.

Best,

[Your name]

TEMPLATE 2 · ONBOARDING NUDGE (SEND JAN-FEB 2026)

Subject: Your MTD-ready software, ten-minute setup

Hi [first name],

Following on from [month] — we're now ready to get your MTD-ready software set up. The whole thing takes about ten minutes on your end. I'll send you a sign-up link in a separate email; you create an account, connect your bank, and we'll handle the rest from our side.

A couple of things to know:

- The software does the categorisation automatically. You don't need to learn HMRC's expense categories.
- Your first real quarterly submission isn't until 7 August 2026, but I'd like to run a practice quarter with you in [month] so the first real one is uneventful.
- The cost is [£X per month], which sits below most clients' previous bookkeeping spend.

Let me know if [proposed start date] works for the practice quarter and I'll send the sign-up link.

Best,

[Your name]

TEMPLATE 3 · ADVANCE NOTICE, PHASE 2/3 CLIENT (SEND MAR-APR 2026)

Subject: Heads-up — MTD ITSA changes will affect you from April 2027/2028

Hi [first name],

A quick note for your awareness. The Making Tax Digital for Income Tax rules, which began rolling out from 6 April 2026 for higher-income sole traders and landlords, will reach your income bracket from [6 April 2027 / 6 April 2028].

You don't need to do anything yet. I'll be back in touch in [month] with the setup details, and you'll have plenty of runway. I'm sending this now mostly so that if you've seen HMRC coverage in the news, you know we're already on it for you.

If you have any questions, reply to this email.

Best,

[Your name]

The 12-month rhythm for your Phase 1 cohort.

A practitioner-side view of the first mandatory year: when records are being kept, when submission windows open, and where the workload bunches up. Standard update periods shown.

THE BUNCH-UP TO PLAN AROUND

The fortnight of 25 January to 7 February 2027 is the hardest stretch of the practitioner year. Q3 quarterly updates, the 31 January Final Declaration, and tax payment all collide. The practices that under-plan this fortnight will be the practices losing partners' weekends.

6 APR 2026	MTD ITSA becomes mandatory for Phase 1 clients. Q1 record-keeping begins. Action: confirm all Phase 1 clients are signed up and software-authorised.
APR–JUL 2026	Q1 transactions flow into clients' software. Most should be auto-categorised; uncategorised items become your weekly review queue.
6 JUL – 7 AUG 2026	Q1 submission window. Thirty-two days to review and submit all Phase 1 clients' Q1 updates. Plan a one-week batch window in the second half of July.
AUG–OCT 2026	Q2 record-keeping. Generally quieter; use it to onboard any laggard Phase 1 clients who slipped past 6 April.
6 OCT – 7 NOV 2026	Q2 submission window. Same 32-day discipline. By now Q1 is in your rear-view and the cadence feels routine.
NOV 2026 – JAN 2027	Q3 record-keeping and January Final-Declaration prep for the 2025–26 year. This is your peak workload month, the only month where MTD ITSA and traditional SA overlap directly.
6 JAN – 7 FEB 2027	Q3 submission window closes 7 February. The 31 January Final-Declaration deadline lands one week earlier. Plan capacity for both.
FEB–APR 2027	Q4 record-keeping. Final-Declaration cleanup. By March, you're also triaging the Phase 2 cohort (gross £30k to £50k) for their April 2027 mandatory start.
6 APR – 7 MAY 2027	Q4 submission window. Phase 2 mandatory start is also 6 April 2027. Phase 1 enters its second year, Phase 2 enters its first.

The must-do checklist.

If you do nothing else from this playbook, do these ten things in this order. Each is independently small. The compounding effect is that 6 April 2026 arrives as a routine Wednesday, not a crisis.

- 01 Confirm your Agent Services Account is live and that 64-8 authorisations have been copied across.** Existing Self Assessment authorisations don't migrate automatically; there's an admin step in the ASA portal. Each practice should run only one ASA.
- 02 Build the client triage sheet (Chapter 4).** Sort by phase. Identify your Phase 1 cohort by name and count.
- 03 Choose the software you'll standardise on for Phase 1.** You don't have to use one tool for all clients, but having a default reduces decision fatigue. Test it with three clients yourself before recommending it.
- 04 Send Comms Template 1 to every Phase 1 client by the end of October 2025.** This is the highest-leverage hour of work in the entire run-up.
- 05 Block a recurring two-hour onboarding slot weekly from November 2025 to March 2026.** Five clients per slot over eighteen weeks gets you to ninety clients onboarded. Most small practices won't need anywhere near that.
- 06 Run a voluntary dry-run quarter with three to five willing clients in early 2026.** HMRC accepts voluntary submissions ahead of the mandatory date; your first real quarter then becomes your second or third, not your first.
- 07 Map your category list.** HMRC requires expenses to be reported under specific categories. Whichever software you pick should auto-categorise; verify this on a real client's data before standardising.
- 08 Plan the January–February 2027 capacity squeeze now.** Decide where the support comes from — temp, freelance bookkeeper, partner overtime — and book it before it's needed.
- 09 Update your engagement letters.** Add a paragraph clarifying quarterly-update scope, who is responsible for record-keeping accuracy, and the new fee basis if you're moving from annual to retainer.
- 10 Pick a soft start date for your own internal cadence.** Most practices choose 1 February 2026. Two months ahead of mandatory means two months of rehearsal.

The partner offer, and where to keep us honest.

You've reached the .EWA pitch. The rest of the playbook is brand-neutral because a guide that's mostly a brochure isn't useful. The deal we offer small practices is below. If any of it feels overstated, email me at partners@ewa.tax and tell me which line. I'd rather rewrite it than be ignored.

What we built, and who it's for

.EWA is MTD ITSA software designed for one specific situation: a sole-practitioner or small-firm accountant serving a mixed portfolio of sole traders and landlords, where the practice doesn't have time to teach forty clients how to categorise an expense. The product is engineered around three principles: auto-categorisation by default, compliance flags before submission, and a practice dashboard that fits 80 clients on a single screen.

The Early Partner Programme

For the first 50 UK practices that sign up before 6 April 2026:

- First six months free on the £39 per month Practice tier, no per-client uplift (covers up to 40 active client files; £79 per month above that, up to 100).
- 30% revenue share on every client you onboard, for their first 12 months.
- Co-branded landing page you can send to your client list: your branding, your domain.
- White-label option included, not gated to a higher tier.
- Priority support from a real person, not a chatbot.
- Direct line to the founder for the first 12 months.

Book a 15-minute walkthrough on a real account: cal.com/ewa-tax/15min. No slide deck, just the practice dashboard, end to end.

HMRC Shield (the bit that matters most)

Every return is validated against HMRC's submission rules before it leaves the practitioner's device. Common errors — same-merchant categorised differently across months, VAT-threshold proximity warnings, capital purchases miscoded as running costs, Personal Allowance taper triggers — get flagged in plain English, not error codes. We built this because the part of MTD ITSA that breaks small practices isn't filing volume, it's filing rework.

The questions you'll be asked nine times in 2026.

Bookmark this page. Answers below are paraphrased from HMRC guidance unless quoted directly; verify against the live gov.uk page before pasting into client comms.

My client uses a spreadsheet. Do they really need MTD software?

Yes. HMRC requires digital records created and stored in MTD-compatible software. A spreadsheet alone doesn't qualify. A spreadsheet plus a bridging tool that submits to HMRC does, but at that point dedicated software is almost always less work.

Does my existing 64-8 Self Assessment authorisation carry over to MTD ITSA?

Not automatically, but the client doesn't have to re-authorise. Existing 64-8 authorisations can be copied across from your HMRC online services for agents account to your Agent Services Account without a fresh digital handshake. Each client then still needs a per-client sign-up step to the MTD service in the ASA portal. Net effect: less friction than people fear, but more admin than zero.

What if a client misses their first quarterly deadline?

For the 2026–27 tax year, HMRC will not issue penalty points for late quarterly updates. Penalty points still apply to a late Final Declaration, and the separate late-payment regime still applies (with a 30-day initial grace period in year one, after which late-payment penalties bite). Use the soft-start as a teaching window, not licence to be late.

Are payments on account changing under MTD ITSA?

No. Payment dates remain as under Self Assessment: 31 January (balancing payment plus first POA) and 31 July (second POA). The quarterly updates are reporting, not paying. Clients will assume otherwise; correct them early.

My client is jointly registered for VAT and ITSA. What changes?

VAT-registered sole traders continue with MTD VAT under its existing regime and join MTD ITSA on the standard income-based timetable. The two regimes share the digital-records principle but are separately mandated and separately signed up. Same client, two sign-ups.

Do I have to use one piece of software across my whole book?

No. You can mix. Most small practices pick a default tool, where the bulk of the book will sit, and accept that a handful of clients with specialist needs (very simple landlord-only property income, for example) sit on a different tool. Keep the count of distinct tools low; three is manageable, six is not.

My client says they're digitally excluded. What now?

There's a formal exemption application route via HMRC. The bar is "digitally excluded," which is higher than "dislikes computers." Grounds include age, disability, location with no reliable internet, religious objection, or other

circumstances where it isn't reasonably practical for the taxpayer to use digital tools. Agents can apply on behalf of clients. While the application is pending, the client continues filing under existing Self Assessment rules.

What about partnerships?

HMRC has confirmed partnerships will be brought into MTD ITSA at a later date and has not yet set a timeline. In practice, plan for the late 2020s for general partnerships; LLPs may follow a different track. No need to action anything for partnerships in the Phase 1 window.

If a client's income drops below £50k mid-year, do they stop?

Not within the year. HMRC assesses qualifying income on the prior tax return; once you're in, you continue for the year. Falling below the threshold is reflected in the following year's assessment.

Can clients still use a bookkeeper?

Yes. The bookkeeper just needs MTD-compatible software access and the appropriate client authorisations. The Final Declaration usually remains with the accountant; the quarterly cadence is often split or fully delegated to the bookkeeper.

About .EWA, contact, and HMRC sources.

About .EWA

.EWA (operated by easywaytoaccounting Ltd, registered in England and Wales) is an MTD ITSA platform built for UK sole traders, landlords, and the small practices that serve them. The product launched into early access in 2026 ahead of the 6 April mandatory date. We are small, UK-based, and founder-run.

Partner contact

Email: partners@ewa.tax

Book a 15-minute walkthrough: cal.com/ewa-tax/15min

For sole-trader or landlord clients: ewa.tax

HMRC sources cited in this playbook

- Overview: gov.uk/government/collections/making-tax-digital-for-income-tax
- Find out if and when you need to use MTD for Income Tax: gov.uk/guidance/find-out-if-and-when-you-need-to-use-making-tax-digital-for-income-tax
- Use Making Tax Digital for Income Tax (sole trader / landlord guide): gov.uk/guidance/use-making-tax-digital-for-income-tax
- Send quarterly updates (cadence and deadlines): gov.uk/guidance/use-making-tax-digital-for-income-tax/send-quarterly-updates
- MTD for Income Tax as an agent — step by step: gov.uk/government/collections/making-tax-digital-for-income-tax-as-an-agent-step-by-step
- Sign up your client for Making Tax Digital for Income Tax: gov.uk/guidance/sign-up-your-client-for-making-tax-digital-for-income-tax
- Add your client authorisations for Making Tax Digital for Income Tax: gov.uk/guidance/add-your-client-authorisations-for-making-tax-digital-for-income-tax
- Work out your qualifying income: gov.uk/guidance/work-out-your-qualifying-income-for-making-tax-digital-for-income-tax
- Choose the right software: gov.uk/guidance/choose-the-right-software-for-making-tax-digital-for-income-tax
- Find out if you can get an exemption: gov.uk/guidance/find-out-if-you-can-get-an-exemption-from-making-tax-digital-for-income-tax
- Penalties for failure to submit returns and pay tax under MTD: gov.uk/government/publications/penalties-for-failure-to-submit-returns-and-pay-tax-under-making-tax-digital

This playbook is a practitioner-facing summary written by .EWA. It is not a substitute for the underlying HMRC guidance, your professional CPD, or your judgement as a qualified accountant. Where HMRC rules and this document disagree, HMRC wins. We have done our best to keep the playbook current as of publication; the underlying gov.uk guidance is updated frequently and you should check the linked sources before acting on anything dated.