

31 JAN · SELF ASSESSMENT

7 FEB · MTD UPDATE

WHITEPAPER · NOVEMBER 2026

Surviving the **double deadline**

Self Assessment and MTD for Income Tax in January and February 2027, with insights from the Capium and AccountingWEB expert panel

A Capium whitepaper for accountants.

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INTRODUCTION

Two deadlines, seven days apart

This January, practices face two deadlines seven days apart: the 2025/26 Self Assessment return on 31 January 2027, then the MTD for Income Tax quarterly update on 7 February 2027, often for the same clients.

This guide turns the advice from our recent live session into a plan you can act on now, before the busy season starts.

The panel

Richard Hattersley
Managing Editor, AccountingWEB (host)

Emma Rawson OBE
Director of Public Policy, Association of Taxation Technicians (ATT)

Aaron Patrick
Head of Accounting at Boffix and co-owner of the Accountant Advisory Group

Tushir Patel
Co-Founder, Capium

AT A GLANCE

The key dates

Three deadlines land within a week, and two of them fall on a Sunday.

DATE	DEADLINE	WHO IT AFFECTS
Sun 31 Jan 2027	2025/26 Self Assessment return and balancing payment	All Self Assessment clients
Sun 7 Feb 2027	MTD for Income Tax quarterly update for the period to 5 January	Sole traders and landlords with qualifying income over £50,000
Sun 7 Feb 2027	VAT returns for quarters ending 31 December	VAT-registered clients
6 Apr 2027	MTD for Income Tax extends to qualifying income over £30,000	The next cohort

AT A GLANCE

Five things to take away

1. **Treat Friday as your real deadline.** Both deadlines fall on a Sunday. Don't bank on HMRC helplines being open at the weekend.

2. **If you must choose, 31 January comes first.** But don't push the MTD update into February, when your team is tired and on leave.

3. **The soft landing is a rehearsal, not a holiday.** Quarterly updates are still required, and the penalty regime arrives for this cohort from 2027/28.

4. **This January's returns tell you who joins MTD next.** Flag the £30,000 cohort as you file, not in a separate exercise in March.

5. **One list, one ask, move the rush.** Track every client in one place, ask for Self Assessment and MTD records together, and pull work forward.

SECTION 1

Why this January is different

For the first time, practices are handling two tax years for the same clients in the same week.

When MTD was announced, some joked it would finally free up January. This year, it does the opposite.

Two deadlines, one team. The 2025/26 Self Assessment return is due on 31 January. Seven days later, the MTD quarterly update for 2026/27 is due, along with VAT returns for December quarters.

Both fall on a Sunday. Tushir Patel advises setting Friday 29 January and Friday 5 February as your internal deadlines. HMRC has extended helpline hours around past deadlines, but Emma Rawson OBE notes that at the last weekend deadline only the taxpayer line opened, not the agent line. Watch for HMRC announcements, but don't plan around them.

Records will double up. Clients who still bring in a carrier bag of receipts may need their quarterly reporting done at the same time as last year's return. Emma expects this to settle once clients are used to quarterly reporting, but this year and the next couple of cohorts will be bumpy.

There is good news. Aaron Patrick's practice had completed around 85% of its £50,000-cohort tax returns early, because clients engaged with MTD supplied their data sooner. And as Aaron points out, this cohort was mostly on software already. Treat this January as the best chance to test your capacity and workflows before less-prepared cohorts arrive.

SECTION 2

The MTD soft landing: what it does and doesn't cover

The soft landing removes penalty points for late quarterly updates in a taxpayer's first MTD year, and nothing else.

	COVERED BY THE SOFT LANDING	NOT COVERED
2026/27 quarterly updates filed late	**✓ No penalty points**	
Quarterly updates themselves		**Still required: the fourth update must be filed before the MTD tax return**
2026/27 MTD tax return (due 31 January 2028)		**Normal penalty points apply**
2025/26 Self Assessment return (due 31 January 2027)		**£100 late-filing penalty and normal rules apply**
Quarterly updates from 2027/28 for the April 2026 cohort		**Penalty points apply**
April 2027 cohort, first year	**✓ Soft landing for quarterly updates (announced at the Budget)**	Same limits as above

If you can't do everything, prioritise like this

31 January comes first. It's the deadline the tax liability hangs on, and it still carries the £100 penalty. Emma Rawson OBE's advice: if you have to pick one, pick this.

Don't deprioritise 7 February, redefine "done". Quarterly updates are cumulative from 6 April, so Tushir Patel suggests aiming for a clean, complete-enough set of books now rather than a perfect one later. A late receipt can go into the next update.

Don't push work into February. Aaron Patrick points out that February is when teams take leave after the January rush, so your capacity will be lower, not higher.

Use the soft landing to test, not to skip. Try new workflows this quarter. If something doesn't work, the soft landing absorbs the mistake. The real risk, as Tushir puts it, is clients learning that February doesn't matter.

SECTION 3

When clients say “there are no penalties this year”

Call the soft landing a free rehearsal: the only one they’ll get.

That’s how Tushir Patel frames it. The message to clients is to get the routine right while mistakes are cheap, because penalty points for late quarterly updates start for this cohort in 2027/28.

A SIMPLE SCRIPT YOU CAN ADAPT

“You’re right that HMRC won’t give penalty points for late quarterly updates this year. But the updates are still required, and from April 2027 late ones will count. Let’s use this year to get your routine working, so next year runs smoothly.”

Why it matters. Emma Rawson OBE warns that clients who ignore updates now won’t suddenly change next April. Because penalties start as points rather than fines, some will be tempted to take “just one point this quarter”.

Ask whether it’s the right client. Aaron Patrick’s view: a client determined to play the system is worth a frank conversation. MTD will bring plenty of new work, so focus on clients who send records on time and take deadlines seriously.

SECTION 4

Exemptions: who can wait, and who joins next April

Check your one-year deferrals now: some clients join MTD in April 2027 alongside the £30,000 cohort.

Emma Rawson OBE describes the exemption rules as a patchwork of permanent, temporary and new exemptions. Exempt clients still file Self Assessment as normal, so exemptions don’t reduce the January workload.

TYPE	EXAMPLES	WHAT TO DO
Enduring	No National Insurance number	No action needed
Apply to HMRC	Digital exclusion	Apply now for April 2027 joiners
Temporary, ending	One-year deferrals for trust or estate income, averaging relief, residence and remittance pages (SA109)	Check whether these clients now join from April 2027
New from the Budget	Foster carers claiming qualifying care relief; non-resident foreign entertainers and sportspeople; people who became insolvent before signing up and continue to trade; "expected non-residents"	Check eligibility carefully

Don't over-read "expected non-residents". It isn't a blanket exemption for non-residents, and it doesn't extend the SA109 deferral. It covers a narrow case: someone due to join MTD who expects to leave the UK. If HMRC agrees, they're out for that year and the next, and may come back in later if they have UK income.

Digital exclusion: getting applications accepted

Say as much as your client is comfortable with up front. Short applications lead to back-and-forth letters and delays.

Combine several factors. HMRC rejects applications based only on cost, a small number of transactions or unfamiliarity with software.

Apply early. HMRC has become quicker, but don't leave April 2027 joiners uncertain in March.

SECTION 5

The hidden third job: the April 2027 cohort

Every 2025/26 return you file this January doubles as an MTD eligibility check for April 2027.

The next cohort is decided by qualifying income over £30,000 in 2025/26, the returns your team is preparing now. Emma Rawson OBE notes the new cohort is less likely to have an agent or use software than the first, so onboarding will take more effort.

Flag clients as you file. Tushir Patel's tip: when a return is open, tag the client if they're over £30,000. It takes seconds then, and saves a separate review in March. Aaron Patrick's practice uses a Capium report that lists the cohort automatically.

Put everyone on one list. Add the £30,000 cohort and the clients whose temporary exemptions are ending to the same list, with one owner, not a spreadsheet in one person's head. Book a review in February.

Plan the onboarding work. In Aaron's experience, the hardest part of the first cohort was onboarding: new engagement letters, payment plans, agreeing the service and answering "am I in or out?" questions.

Voluntary joiners can wait. For clients under £30,000 who want to join early, Aaron's advice for now is to wait until it's their turn, unless there's a clear benefit, such as CIS clients keen to claim refunds early.

SECTION 6

Client communication that saves time

Clear rules and familiar formats cut the one-to-one conversations that drain capacity.

Use checklists. Aaron Patrick's practice added an MTD section to the tax return checklist clients already know: whether they're in, and when. Around 80% of their clients understood their position once it arrived that way.

Write the rules into your engagement letter. Use what you learned from the first cohort. Spell out deadlines for records, the format you need, whether a separate business bank account is required, and what you'll charge to clean up late or incomplete records.

Set milestones and hold them. Emma Rawson OBE's view: most people leave things to the last minute, so tell clients "I need this by this date to file by that date", and don't be too nice about it.

Meet clients where they are. Aaron suggests bank feeds and banking-embedded tools for cleaner data, dynamic questionnaires, and bringing WhatsApp and email into one shared inbox the whole team can see.

Own the verification when clients use AI. More clients now arrive with answers from AI tools that sound confident and are mostly right. Tushir Patel's advice: don't compete with AI at explaining. Offer to check whether its answer is right for them, especially where elections, joint property or recent Budget changes apply.

SECTION 7

Technology and workflow: one list, one ask, move the rush

82%

Most practices are still filing at the last minute. Of more than 15,000 MTD quarterly submissions through Capium, over 82% were filed in the final 72 hours before the deadline.

Tushir Patel's three-step approach to bringing that number down:

1. **One list.** Merge your Self Assessment and MTD trackers into one list of every client. Flag who has an MTD update due and who joins next April. Then manage by exception: focus on what's outstanding and on your problem clients.
2. **One ask.** When you request Self Assessment records, ask for the MTD records at the same time. You already have the client's attention, so don't chase twice.
3. **Move the rush.** Pull work forward and flag the April 2027 cohort as you file.

Get data without asking for it. Bank feeds remove the biggest barrier, because the information comes to you. Automated client reminders and a shared deadline dashboard help too.

Match the tool to the client. For a simple business, spreadsheets with bridging software can work fine. Digitally confident clients may suit full bookkeeping software. Compare the whole workflow, and know who owns it when something goes wrong.

SECTION 8

Protecting your team

The panel agreed: set your limits before January, not during it.

Rebuild your capacity plan. Aaron Patrick's practice found its old capacity planning wasn't good enough and started again. Combine data on compliance work with the "firefighting" time spent on client emails and queries. Make it a team exercise with a shared capacity dashboard, not one person in a dark room. AI tools can help you build it.

Split the work deliberately. Decide who on the team focuses on MTD and who on Self Assessment. Sole practitioners can set priorities and time blocks in advance.

Be realistic about new work. Emma Rawson OBE: if you're not looking to grow, decide which clients you're keeping and have the uncomfortable conversations now.

Stick to your cut-off. Tushir Patel: don't take on last-minute clients if your team will creak at the seams.

Outsource only with a robust process. It can add capacity, but Aaron warns against outsourcing for the first time under deadline pressure. It works only if your process is already solid.

SECTION 9

Looking ahead to January 2028

In January 2028, the first MTD tax returns (for 2026/27) arrive alongside the next quarterly update, so start preparing straight after this season.

File MTD tax returns early. Aaron Patrick: once the fourth quarterly update is done, you should have the data. Don't let MTD clients drift to 31 January, and leave time for the technical hiccups a new process brings.

Learn the new process now. Emma Rawson OBE: the MTD year-end will look and feel very different. Ask your software provider for a demo so you can build it into your workflow and capacity planning.

Book your February debrief today. Tushir Patel: put it in the diary now, while you still remember what January felt like.

YOUR ACTION PLAN

Tick these off between now and April

Now to mid-December

- [ ] Merge Self Assessment and MTD trackers into one client list with one owner
- [ ] Set internal deadlines of Friday 29 January and Friday 5 February
- [ ] Send one combined request for Self Assessment and MTD records
- [ ] Add an MTD section to your tax return checklist
- [ ] Update engagement letters with record deadlines, formats and clean-up fees
- [ ] Submit digital exclusion applications for April 2027 joiners
- [ ] Rebuild your capacity plan with the team and agree who covers MTD

January

- [ ] Flag clients over £30,000 as you file each 2025/26 return
- [ ] Prioritise 31 January returns, but keep MTD updates moving
- [ ] Hold your cut-off for new clients

February

- [ ] File quarterly updates by Friday 5 February
- [ ] Hold your debrief while January is fresh
- [ ] Review the April 2027 cohort and the clients whose deferrals are ending

March to April

- [ ] Onboard the April 2027 cohort: engagement letters, software, payment plans
- [ ] Get a software demo of the MTD tax return ahead of January 2028

About Capium

Capium brings bookkeeping, payroll, accounts production, tax, MTD and practice management into one connected cloud platform for UK accountancy practices. Run Self Assessment and MTD for Income Tax in one workflow, see every client deadline in one place, and spot your April 2027 cohort as you file.

Watch the full session **Book a demo**

capium.com

This guide summarises the views shared by the panel during a live session hosted by Capium and AccountingWEB. It is general guidance, not tax advice. Check current HMRC guidance before acting.