

HMRC guidance on digital formats and electronic signatures

Synopsis: HMRC's requirements on keeping records in digital formats and using electronic signatures.

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HMRC has published guidance for taxpayers <u>'Keeping your pay and tax record'</u>. Records can be kept in a variety of formats: on paper, digitally or as part of a software program. Records can be kept on paper, digitally or as part of a software program (like book-keeping software). HMRC can charge a penalty if records are not accurate, complete and readable.

However, there are some records that, by law, must be kept and preserved in their original form. For example, a C79 import VAT certificate (Record keeping for VAT notice 700/21).

The <u>Taxes Management Act 1970 s12B</u> and the <u>Finance Act 1998 Sch 18</u>, para 22 (under Part III *Duty to keep and preserve records*) provide further detailed information on record keeping including those records that must be preserved in their original form.

Regarding electronic signatures, HMRC has issued guidance (<u>Agent Update 82, Feb</u> 2021) confirming that it will accept digital or electronic signatures on 64-8s, P87 and Marriage Allowance claims. For these forms, signatures signed on the screen of a digital device or displayed in a keyboard-typed font will be accepted. All other claims and paper tax returns require a handwritten signature rather than an electronic one.

Subject to exceptions, HMRC accepts digital records including scanned copies of documents with handwritten signatures. Exceptions include those set out in tax or other legislation and instances where the taxpayer is submitting a paper version of a tax return or claim.

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