

sage X3

HMRC Header

For Customers and Sage Partners

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Please note this document may be updated periodically so we recommend you check for updates.

What is the change?

Her Majesty's Revenue and Customs (HMRC) has enforced in January 2021 significant structural changes for the information required in the header record for Making Tax Digital (MTD) submissions, to be effective in July 2021. Sage will be making the changes to the submission on the latest patch levels of Sage X3 Version 12, Version 11 and Version 9 and it is advised that all customers update their software to the latest level, as version 3.0 of the Fraud Header specification will be the standard for the HMRC from the 7th of July 2021.

Who will be impacted?

A large number of customers that have operations in the UK are required to submit their VAT returns electronically through the UK's "Make tax digital" (MTD) system. MTD submissions must be done from the accounting software. As such every customer leveraging the MTD submission functionalities of Sage X3 will need to upgrade to the appropriate version of the software to remain compliant with the UK's HMRC Making Tax Digital requirements.

How will Sage make these changes available to customers?

Sage will release new Syracuse servers for Sage X3 Version 12, Version 11 and PU9 that will need to be installed by all impacted customers. These packages will be distributed as normal and will be available as follows:

When will these versions be available?

Sage aims to deliver the hotfixes by 21st May 2021.

Why is this change only available on certain Sage X3 versions and patch levels?

The changes being made by the HMRC require new information that has not been required historically, for example the IP address from where the submission is being made. To allow our customers to meet these new requirements Sage needs to make changes to the Sage X3 Syracuse component. So that our customers can meet the new requirements it is advised that they update to the latest release or patch level.

By when do our customers need to upgrade?

The HMRC has indicated that software providers need to make the latest formats available before or on the 6th July 2021.

The HMRC have noted that they understand that our customers will require some time to take these software updates and that they will not act immediately on incorrect headers but do reserve the right to do so in the future.

As such Sage advises that all our impacted customers update their software as soon as possible.

Is this change applicable to customers located in another region, i.e. not in the UK?

This change is applicable to all customers who have operations in the UK and submit VAT returns to the HMRC using Sage X3. This will include UK customers and multi-country customers with operations in the UK and another countries.

Which Sage X3 versions will this update be available for?

Sage will provide a new Sage X3 Syracuse Server as a hotfix on all maintained versions as per the Sage X3 lifecycle policy.

- **Sage X3 Version 12:**

The Sage X3 Syracuse hotfix will be compatible with the 2020 R1 release and later.

Please note the hotfix cannot be applied to Sage X3 release 2019 R5 or earlier. This Syracuse hotfix includes the replacement of Flash components, especially the Visual Process display and editor. Customers will be advised of the following instructions:

 - If your current release is 2020 R1 or 2020 R2, in addition to installing the Syracuse hotfix, you will also need to install application hotfixes (WX_R090_023.zip and WX_VP_R090_024.zip). Review your Sage X3 Visual Processes (if used) to check for any adaptation if necessary.
 - If your current release is 2020 R3, in addition to installing the Syracuse hotfix, you will also need to install an application hotfix (Sage X3: WX_VP_R090_024.zip). Review your Sage X3 Visual Processes (if used) to check for any adaptation if necessary.
 - For 2020 R4 or later releases, just install the Syracuse hotfix.
- **Sage X3 Version 11:**

Customers will need to install the version 11 Syracuse server hotfix. Customers who are running Sage X3 Version 11 P14 or earlier, Sage will not guarantee compatibility and we strongly recommend that you patch at least to P15, better to the latest patch level.

 - If your current patch level is P18 (V11.0.18), in addition to installing the Syracuse hotfix you also need to Install applicative hotfixes (WX_07014_R080 and WX_07016_R080). Review your Sage X3 Visual Processes (if used) to check for any adaptation if necessary.
 - If your current patch level is earlier than P18 (V11.0.18), in addition to installing the Syracuse hotfix you also need to Install applicative hotfixes (WX_07014_R080, WX_07016_R080, EXTRACT_X3_1.11.0_6828 and EXTRACT_X3_1.11.0_6946). Review your Sage X3 Visual Processes (if used) to check for any adaptation if necessary.
 - For V11 patch 19, just install the Syracuse hotfix.
- **Sage X3 Version 9:**

Customers will need to install the incoming U9 Syracuse server hotfix. This Syracuse hotfix is compatible with the latest patch (Sage X3 Version 9 patch 12) and does not include the replacement of Flash component.

What about customers running earlier versions of Sage X3?

For customers running earlier versions of Sage X3 that are no longer eligible for maintenance support as per the Sage X3 Lifecycle policy we strongly recommend upgrading to the latest release as soon as possible.

Updates have been completed for those customers using the Sage X3 MTD Submissions' module to allow it now to be compliant with the new instructions.

What is the risk to customers if they don't apply the update?

Impacted customers who do not apply the change will be at risk that their VAT return formats to the HMRC that are due from the 7th July 2021 may not be accepted and may be exposed to penalties. In our ongoing discussions with the HMRC, they have indicated that they are aware of the burden on customers to adopt these new formats, and as things stand they would not act on incorrect headers but do reserve the right to do this in the future. As such it is advised that all customers update their software to the latest level as soon as possible.

Who can a customer contact to find out how to apply the updates?

Customers should contact their partner or customer services team in the normal way for any questions on this – they are happy to help.

Partners should contact their Partner Account Manager for support.

How will the updates be made available?

For Sage X3 versions that are currently supported, as per the Sage X3 lifecycle policy, updates will be delivered as a hotfix through the normal channels.

For Sage X3 Cloud customers, Sage will automatically apply the fix to their environment as part of our standard maintenance. We will communicate in advance for the planned interruption to the service, however we will endeavour to do this at a time that will not impact our customers working day.

Where can I find out more information about the HMRC change?

As part of implementation of Version 3.0 of fraud prevention data, the headers changed. See <https://developer.service.hmrc.gov.uk/guides/fraud-prevention/getting-it-right/#change-log>, (Updated the 6th of January 2021)