

Updated 25/03/2020

VAT Payment Deferrals

The Government announced that it will allow businesses to defer paying their VAT bill for 3 months between 20th March and 30th June.

Am I eligible?

All UK businesses are eligible to defer, regardless of circumstances.

Do I still have to pay VAT to HMRC?

HMRC is deferring VAT payments for 3 months, so if you cannot pay VAT for this period, you are able to defer.

Do I still have to file VAT returns?

Yes, companies still need to file VAT returns. This should be done in the normal way, by the usual due date to avoid any late filing penalties.

What if I am unable to file my VAT return because of Covid-19?

It's expected if you, your bookkeeper or accountant for example, is affected by illness or incapacity, this would count as a "reasonable excuse".

What payments can be deferred?

HMRC state payments due between 20 March 2020 to 30 June 2020 may be deferred.

When do I have to pay deferred VAT payments?

You have until the end of the 20-21 tax year (5 April 2021) to pay liabilities accrued during this period.

I have a direct debit in place - will payment be taken automatically?

The advice is that you should cancel your direct debit with your bank before the payment is taken.

What about interest or penalties?

There will be no interest or penalties on deferred payments.

Do I have to apply for deferral?

No - it applies automatically.

What about refunds or reclaiming VAT?

This will be paid by HMRC as normal.

