

# VAT Payment Deferrals

HMRC have released further guidance on COVID VAT deferral support for UK VAT registered businesses.

## Am I eligible?

If you're a UK VAT registered business and have a VAT payment due between 20 March 2020 and 30 June 2020, you have the option to defer the payment until a later date. This does not cover VAT MOSS payments.

## 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?

If you choose to defer your VAT payment as a result of coronavirus (COVID-19), you must pay the VAT due on or before 31 March 2021.

## 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.

## How can Aspen Waite help?

We are unsure as to whether HMRC will set any repayment claims against any future VAT repayments that are deferred.

We advise that you continue to prepare and submit VAT Returns as usual - there will still be input VAT that can be claimed, even if your business is currently hibernating.

If we prepare your VAT Returns for you please send all information to us as usual. Please do not hesitate to contact us if you would like our assistance or require any further information.

