



COVID-19

VAT

Paying VAT deferred due to COVID-19: What to do

Many companies took advantage of the VAT deferral scheme when it was announced last year, but as disruption continues, many business owners have concerns on how to repay what they owe. HMRC has produced guidance on the support available:

What are my options?

If you deferred VAT between 20 March and 30 June 2020 and still have payments to make, you can:

1. pay deferred VAT in full on or before 31 March 2021
2. opt in to the new VAT deferral payment scheme
3. contact HMRC if you need more help to pay

1. Pay your deferred VAT

If you are able, you can pay your VAT in full by March 2021 - you do not need to contact HMRC. For more information, visit www.gov.uk/pay-vat.

2. Opt in to the new payment scheme

Instead of paying the full amount, you can make up to 11 smaller, interest-free monthly payments. All instalments must be paid by the end of March 2022.

To qualify you must:

- still have deferred VAT to pay
- be up to date with your VAT returns
- opt in and pay the first instalment before the end of March 2021
- pay via Direct Debit

You can still have a time to pay arrangement for other HMRC debts and tax.

You must opt in online yourself. The process will be available in early 2021.

How do I opt in?

- create your own Government Gateway account if you don't already have one
- submit outstanding VAT returns from the last 4 years. You will not be able to join the scheme otherwise
- correct errors on your VAT returns as soon as possible. Corrections received after 31 December 2020 may not show in your deferred VAT balance
- make sure you know how much you owe, including the amount originally deferred

You should:

- pay what you can as soon as possible so the correct deferred VAT balance can be shown
- consider the number of equal instalments you'll need to clear what you owe (between 2 to 11 months)

3. If you need more help

Contact the Revenue - more information is available at <https://www.gov.uk/difficulties-paying-hmrc>.

How Aspen Waite can help

The Aspen Waite Friend Program has a dedicated support email - we'll do whatever we can to help.

Email friend@aspen-waite.co.uk or your usual account manager.

