

FOCUS ON

COVID-19 VAT Deferral New Payment Scheme Details announced

If you took advantage of the opportunity to defer VAT payments in the period from 20 March to 30 June 2020, the deadline of 31st March 2021 for paying the deferred VAT is fast approaching.



There is however a choice – you can pay all amounts owed by 31 March 2021 or opt to pay the amount owed over a maximum 11 month period interest free.”

The “VAT deferral new payment scheme” opened on 23 February 2021 and will remain open until 21 June 2021. The link to join the scheme can be found at <https://www.gov.uk/guidance/deferral-of-vat-payments-due-to-coronavirus-covid-19>

Take action now!

To take advantage of the VAT deferral, you will need to set up a direct debit and must therefore be the authorised account holder. For this reason, if we are your agent, unfortunately we cannot opt in on your behalf. You will need to use your own Government Gateway account.

To opt in, all your VAT returns for the last four years must also be up to date.

The first instalment is paid on joining the scheme, with subsequent payments made by direct debit. You will of course need to make sure you have the capacity to make these payments. If this will be difficult, it may be possible to agree a separate time to pay arrangement with HMRC.

Existing time to pay arrangements can continue to run alongside the VAT payment scheme.



Instalment options

You can join at any point between **23 February and 21 June 2021.**

When you opt in will determine the number of instalment payments that will need to be made:

19 March 2021	11
21 April 2021	10
19 May 2021	9
21 June 2021	8

Therefore, the earlier you join the scheme, the higher the number of instalment payments you can choose, but the sooner you start paying the deferred VAT.



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