

DEFERRED VAT

HMRC has launched the Deferred VAT Payment Scheme to allow businesses more time to pay the VAT they deferred from last year.

This deferred VAT is due to be paid by 31 March 2021, however with the ongoing restrictions still in place HMRC are allowing businesses to spread this payment over two to eleven months, interest free. Payments can start from March 2021 and businesses will have more instalments available the earlier they opt in.

In order to qualify you must:

- join the scheme yourself (unfortunately your accountant can't do this for you);
- still have deferred VAT to pay;
- be up to date with your other VAT returns;
- pay the first instalment when you join the scheme;
- pay your instalments by direct debit.

The deadline for joining this scheme is 21 June 2021.

Further details can be found here:

<https://www.gov.uk/guidance/deferral-of-vat-payments-due-to-coronavirus-covid-19>

Although we can't apply for this scheme on your behalf, we are still available to help with any other tax/accounting services you may require.