

Coronavirus VAT Deferral Scheme Extended until March 2022

(8 January 2021)

HMRC have announced that businesses who deferred VAT payments between 20 March and 30 June 2020 and still have payments to make can opt into the new VAT deferral payment scheme when it launches later this year.

The new scheme will be available in early 2021. You must opt in yourself; your agent cannot do this for you.

How it works

Instead of paying the full amount of VAT owed by the end of March 2021 you can make up to 11 smaller monthly instalments, interest free. All instalments must be paid by the end of March 2022.

To use the scheme you must:

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

You can of course pay the deferred VAT in full on or before 31 March 2021 if you're able to do so. [Click here](#) to make a payment.

What you will need

To opt into the scheme you will need your own Government Gateway account if you don't already have one. [Click here](#) to log in or register. You will also need to have submitted any outstanding VAT returns from the last four years.

You will need to know how much you owe, including the amount you originally deferred and how much you have already paid back (if applicable.)

You can still have a time to pay arrangement for other HMRC debts and outstanding tax even if you opt into the deferred VAT scheme.

What to do if you are still unable to pay

If you are still not able to pay your deferred VAT, you can find further advice [here](#).

Further information for businesses from HMRC

HMRC is running a series of [webinars](#) for businesses and have produced a number of videos on their [YouTube](#) channel so you can familiarise yourself with the new customs processes and what you need to do before you trade goods with the EU.

Their [trader checklist](#) is also still available to help you ensure you're familiar with the new rules that affect you.

CONTACT US

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