

## VAT Deferral

UK VAT registered businesses were able to defer their VAT payments which were due for payment between 20th March and 30th June 2020. The deferred amount must be paid by 31<sup>st</sup> March 2021 (see details below).

There has been no further deferral of subsequent VAT payments so you must ensure that payments due after this date are paid manually or that you reinstate your direct debit.

If you are unable to pay the next VAT payment then you will have to contact HMRC and ask for additional time to pay. This allows you to pay off your debt by instalments over a period of time. Get more information [if you cannot pay your tax bill on time](#).

### What you need to do...

If you have cancelled your Direct Debit to HMRC in order to take advantage of the deferral, you will need to set up a new Direct Debit arrangement in time for the first payment after 30 June.

Payments due after 30 June must be paid in full as normal and you must continue to file your VAT return on time.

Use your [VAT online account](#) to set up a new Direct Debit. **If we file your VAT return on your behalf, we will contact you by telephone to discuss setting up a new Direct Debit.**

- Set up the Direct Debit at least 3 working days before you submit your online VAT return, otherwise the payment will not be taken from your bank account in time.
- Once you've set up the Direct Debit, payments will be collected automatically from your bank account 3 working days after the payment deadline on your VAT return.
- If you file your VAT return late, your payment will be taken 3 days after you file the return.

If you would prefer to make payment manually, or have not set up a new direct debit in time, you should use the following details to make payment to HMRC:

You can pay HM Revenue and Customs (HMRC) by Faster Payments, CHAPS or Bacs.

Sort code	Account number	Account name
08 32 00	11963155	HMRC VAT

Reference Number: You'll need your 9-digit VAT registration number to make a payment.

For more information see [Pay your VAT bill](#).

### Paying the tax that you have deferred

If you chose to defer your VAT payment as a result of coronavirus, you must pay the VAT on or before 31<sup>st</sup> March 2021. You can pay or make payments towards your deferred VAT now or at any time up to 31 March 2021 using the above noted bank details and using your VAT registration number as the reference.

You may of course decide not to pay this until it becomes due (there is no interest on the deferred payment), however you should bear it in mind and consider putting the VAT aside (as and when cashflow allows), to avoid a problem come April 2021.

If you need any further guidance please do let us know.