



THE COAL MINING CHARITY

COVID-19 – VAT update – February 2021

Further to our recent “Guidance for Welfares” communication more information has been released with regards to the deferral of VAT which was payable between 23 February 2020 and 30 June 2020. If this applies to your business you may find the following useful:

If you deferred VAT payments falling due in the above period and you still have not paid the outstanding amount in full, you can:

- pay the deferred VAT in full, on or before 31 March 2021;
- join the new VAT deferral payment scheme (joining instructions below) – this service is open from 23 February to 21 June 2021; or
- contact HMRC on 0800 024 1222 by 30 June 2021 if you need further help to pay

Please note that if you do not pay your deferred VAT by 31 March 2021 or join the new scheme you may be charged interest and a penalty on the outstanding VAT due.

If you choose to pay your deferred VAT in full

You can pay your deferred VAT in full by 31 March 2021. If you choose to do this, you do not need to contact HMRC.

For details on how to make a payment – <https://www.gov.uk/pay-vat> - you will need your VAT registration number to hand.

If you choose to opt into the VAT deferral payment scheme

The new deferred VAT payment scheme will be open between 23 February and 21 June 2021 and will allow you to pay deferred VAT in up to 11 monthly instalments. These instalments will be interest free.

The month you opt into the scheme will determine the maximum number of instalments payable; from 11 if you join by 19 March 2021 reducing to 8 by 21 June 2021.

To join the deferral scheme you must:

- still have VAT to pay from the deferral period
- be up to date with your other VAT submissions and payments from the last four years – you will not be able to join the scheme if you are not up to date
- create your Government Gateway account if you don't already have one
- pay the first instalment when you opt in; and
- pay your instalments by Direct Debit.

Please note that if you wish to opt into the deferral scheme, you must contact HMRC yourselves. HMRC will not allow agents to apply on behalf of their clients.

If you want to join the new payment scheme, but cannot use the online service, you can contact the COVID-19 helpline when the scheme opens on 0800 024 1222 and an adviser will help you join.

For full details, see the link to HMRC guidance at <https://www.gov.uk/coronavirus/business-support>

If you need help or advice relating to the VAT deferral scheme you can contact the CISWO Trading Team on 01709 728115 or trading@ciswo.org.uk