



Hillier Hopkins LLP
Chartered Accountants and Tax Advisers
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“friendly expertise”



Coronavirus Help Sheet

Last updated Thursday 24 September 2020

We will be happy to assist you with your questions about VAT and we invite you to contact your normal team who will offer you support. We have experts in many of these areas and will be pleased to assist you in every way we possibly can.

Coronavirus VAT Deferral Scheme FAQs

This package was a surprising but very welcome announcement by the Chancellor to ensure that the payment of VAT does not contribute to the cash flow problems in the face of COVID-19. This scheme was targeted at UK businesses, but UK VAT registered overseas businesses also qualified.

How did it work?

Businesses could file their VAT returns without the need to pay the VAT liability due in the period 20 March 2020 to 30 June 2020. There was no need to tell HMRC that you were going to use the VAT deferral scheme and there are no penalties or interest due on the deferred liability.

Which VAT returns did it apply to?

Quarterly (not Payments on Account) – VAT quarters ending February, March and April 2020
Monthly – February, March and April 2020 returns
Annual – Annual periods ending February, March and April 2020
Payments on Account quarterly returns – quarters ending February, March, April and May 2020

How do I pay the deferred liability back to HMRC?

The deferred liability was due to be repaid by 31 March 2021 as a lump sum by 31 March 2021 or via regular payments during the remainder of the 2020-2021 Government fiscal year. The Chancellor announced a new payment scheme on 24 September 2020 that allows for 11 smaller, interest free payments over the course the Government fiscal year 2021-2022. This means that you will have until 31 March 2022 to repay your deferred VAT but you will need to contact HMRC to arrange the payment plan.

Did the deferment cover MOSS return payments?

No, MOSS returns are not covered by the deferment scheme and need to be made in the normal way by the normal date. This is because VAT paid via the MOSS return is not VAT due to be paid in the UK and so HMRC has no jurisdiction to defer these payments?

I'm due a repayment of VAT, Will HMRC hold that back?

Repayments will be made as normal, subject to any enquiry that it may raise into the repayment. We hope that HMRC will apply a lighter touch with these enquiries.

What about payments due after 30 June 2020?

These need to be made as normal. If you will still struggle to pay after the end of June, you should consider a time to pay agreement.

Our Comments

For businesses still struggling come 31st March 2021, the latest development on interest free payment plan will be a welcome development and appears to have few downsides.

Not sure what to do next?

We will be happy to assist you with these claims, and we invite you to contact your normal team who will offer you support. We are experts in many of these areas and will be pleased to assist you in every way we possibly can. If you are not sure who to contact, call us on 0330 024 3200 or email hi@hhllp.co.uk.

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We will keep clients up to date at hillierhopkins.co.uk

Information about government help and advice is at <https://www.gov.uk/government/news/coronavirus-covid-19-guidance-for-employees-employers-and-businesses>

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