

FOCUS ON

# COVID-19 VAT Deferral New Payment Scheme Details announced

For businesses that took advantage of the opportunity to defer VAT payments for the period from 20 March to 30 June 2020, the deadline of 31st March 2021 for making repayment is fast approaching.



There is however a choice – businesses can pay all amounts owed in one go, or can opt to pay the amount owed over a maximum 11 month period interest free.”

HMRC have announced that the on-line service for opting into the payment scheme will open on 23 February 2021 and opting into the scheme will be possible until 21 June 2021.

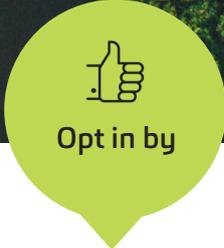
### Take action now!

The VAT registered business that has deferred its VAT payment must opt in – an agent cannot do this on its client’s behalf. Businesses will therefore need a Government Gateway account to be able to opt in.

A condition to being able to opt in is that all VAT returns must be up to date. If any returns are late or have otherwise not been submitted, the business will not be able to opt in to paying by instalments.

The first instalment must be paid on joining the scheme, with subsequent payments made by direct debit. Business will need to make sure they have the capacity to fund these payments. If this will be difficult, it is still possible to seek a time to pay arrangement with HMRC.

Existing time to pay arrangements can continue to run alongside the VAT payment scheme.



### Instalment options

Businesses can decide to join between 23 February and 21 June 2021.

When a business opts in will determine the number of instalment payments that will need to be made:

19 March 2021	11
21 April 2021	10
19 May 2021	9
21 June 2021	8

### Contact us



**Steve Chamberlain**  
Senior VAT Manager

**T: +44 (0)1225 472800**  
**E: [steve.chamberlain@monahans.co.uk](mailto:steve.chamberlain@monahans.co.uk)**

[monahans.co.uk](http://monahans.co.uk)

MHA Monahans is an independent member of MHA and an independent member of Baker Tilly International Limited, the members of which are separate and independent legal entities.

Now, for tomorrow

