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Guidance

Deferral of VAT payments due to coronavirus (COVID-19)

Temporary changes to the VAT payments due between 20 March 2020 and 30 June 2020 to help businesses manage their cash flow.

Published 26 March 2020

From:

HM Revenue & Customs (<https://www.gov.uk/government/organisations/hm-revenue-customs>)

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If you're a UK VAT registered business and have a VAT payment due between 20 March 2020 and 30 June 2020, you have the option to:

- defer the payment until a later date
- pay the VAT due as normal

It does not cover VAT MOSS payments.

HMRC will not charge interest or penalties on any amount deferred as a result of the Chancellor's announcement.

You will still need to submit your VAT returns (<https://www.gov.uk/vat-returns/send-your-return>) to HMRC on time.

HMRC will continue to process VAT reclaims and refunds (<https://www.gov.uk/reclaim-vat>) as normal during this time.

If you choose to defer paying your VAT

If you choose to defer your VAT payment as a result of coronavirus (COVID-19), you must pay the VAT due on or before 31 March 2021.

You do not need to tell HMRC that you are deferring your VAT payment.

Payments made by Direct Debit

If you normally pay by Direct Debit you should contact your bank to cancel your Direct Debit as soon as you can, or you can cancel online if you're registered for online banking.

After the VAT deferral ends

VAT payments due following the end of the deferral period will have to be paid as normal. Further information about how to repay the VAT you've deferred will be available soon.

If you're in temporary financial distress because of COVID-19

If you are experiencing financial difficulties more help is available from HMRC's Time to Pay (<https://www.gov.uk/difficulties-paying-hmrc>) scheme.

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Explore the topic

- VAT (<https://www.gov.uk/topic/business-tax/vat>)