

Update | Written 17 June 2020

This newsletter details some of the measures announced by the Government to support businesses and individuals during the COVID-19 crisis. We can provide pro-active advice to help you come out stronger on the other side so please contact us if you wish to discuss any of these issues.

Best wishes

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Businesses Need To Reinstate VAT Direct Debits

The deferral of VAT payments due to coronavirus comes to an end on 30 June and businesses need to take action to reinstate their direct debit mandates, if they were cancelled. Please bear in mind it takes three days to reinstate a VAT direct debit.

The VAT payment deferral means that all UK VAT-registered businesses have the option to defer VAT payments due between 20 March and 30 June 2020 until 31 March 2021.



Your direct debit mandates therefore need to be in place in time for payments due in July 2020 onwards. Any outstanding returns should be filed, and three working days should be allowed to elapse before reinstating the direct debit mandate.

HMRC will issue guidance on the end of the VAT deferral period soon but, to be effective, direct debit mandates usually need to be set up three working days before a VAT return is filed. We cannot set up direct debit mandates on behalf of our clients; the business needs to set up the mandate through their business tax account.

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HMRC has confirmed that it will not collect the outstanding balance of deferred VAT when the direct debit mandate is reinstated. HMRC has made the necessary systems change to avoid this happening for businesses in MTD for VAT.

Check Which Employees You Can Put On Furlough To Use The Coronavirus Job Retention Scheme

This guidance page was updated on 15 June 2020 to include details on how the scheme will change from 1 July.



The first time you will be able to make claims for days in July will be 1 July, you cannot claim for periods in July before this point.

31 July is the last day that you can submit claims for periods ending on or before 30 June.

See: https://www.gov.uk/guidance/check-which-employees-you-can-put-on-furlough-to-use-the-coronavirus-job-retention-scheme?utm_source=13e820c2-94c1-42fc-8ef6e0dea23dff1d&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate