

Your deferred VAT

If you deferred paying VAT, you can pay this in full by 31 March 2021, or get ready to opt in to the VAT deferral new payment scheme <https://www.gov.uk/pay-vat>.

If you want to opt in to the new payment scheme

You cannot opt in yet. The online opt in process will be available in early 2021. You must opt in yourself, your agent cannot do this for you.

Instead of paying the full amount by the end of March 2021, you can make up to 11 smaller monthly instalments, interest free. All instalments must be paid by the end of March 2022.

The scheme will allow you to:

- Pay your deferred VAT in instalments without adding interest
- Select the number of instalments from 2 to 11 equal monthly payments

To use this scheme you must:

- Still have deferred VAT to pay
- Be up to date with your VAT returns
- Be able to pay the deferred VAT by Direct Debit

If you opt in to the scheme, you can still have a Time To Pay arrangement for other HM Revenue & Customs debts and outstanding tax.

Get ready to opt in to the new payment scheme

Before opting in you must:

- Create your own Government Gateway <https://www.gov.uk/log-in-register-hmrc-online-services> account if you don't already have one
- Submit any outstanding VAT returns from the last 4 years. You will not be able to join the scheme if you have not done so
- Correct errors on your VAT returns <https://www.gov.uk/vat-corrections> as soon as possible. Corrections received after 31 December 202 may not show in your deferred VAT balance
- Make sure you know how much you owe, including the amount you originally deferred and how much you may have already paid

You should also:

- Pay what you can as soon as possible to allow HM Revenue & Customs to show the correct deferred VAT balance
- Consider the number of equal instalments you'll need, from 2 to 11 months

If you are not able to pay your deferred VAT

If you are still unable to pay and need more time, find out what to do if you cannot pay your tax bill on time <https://gov.uk/difficulties-paying-hmrc>