



# vatALERT

From April 2010, the electronic submission of VAT returns will be compulsory for businesses with an annual turnover greater than £100,000 and for new VAT registrations with an effective date of VAT registration after 31<sup>st</sup> March 2010. From April 2012 this will be extended to all VAT registrations.

Taxpayers may nominate an agent to submit VAT returns on his behalf.

There are considerable administrative benefits to making the change to online filing, so while the mandatory filing of VAT returns may be a few months away, it is worth considering sooner rather than later. The benefits are as follows:

- Postal delays, and unnecessary default surcharge disputes with HMRC can be avoided;
- VAT return submissions to HMRC are instantaneous and secure;
- There is up to seven additional days to submit a VAT return, providing it is not a repayment or nil return;
- There is up to seven additional days to pay any VAT liability to HMRC and where payment is made by direct debit this is extended by a further three working days;
- An electronic receipt of submission is received from HMRC immediately;

Any VAT payments due to HMRC in respect of VAT returns filed online must be paid electronically (i.e. through the internet, telephone banking, BACS, direct credit, CHAPS, or direct debit). Consideration should be given to any charges that may be levied by the banks. Cleared funds must reach HMRC's bank account by the extended due date.

## **Example: Online filing of VAT returns – extra days for payment**

The VAT return for the period to 31<sup>st</sup> December would normally be due to be received by HMRC no later than 31<sup>st</sup> January.

A taxpayer gets an extra seven *calendar* days to file a VAT return online. Therefore, if the return is filed online, it should be received by HMRC by 7<sup>th</sup> February.

A further three *working* days are allowed before payment is made by direct debit. If a weekend falls at the right time, then an extra five *calendar* days could be allowed for payment, making a total of up to twelve extra *calendar* days. Bank holidays could also extend the period before payment is taken.

The direct debit facility is not available to users of the annual accounting scheme or those having to make payments on account and submit quarterly returns.

**How can  
we  
help?**

We have developed our systems for both existing and potential clients, for further information on how we can help with your online filing of returns and registrations, please contact Carolyn Van Hecke our VAT specialist on **01204 41 42 43** or email [carolyn.vanhecke@cowgills.co.uk](mailto:carolyn.vanhecke@cowgills.co.uk)