

# Covid-19 VAT Deferral New Payment Scheme (VDNPS)

## Who is it aimed at?

- Businesses who deferred their VAT payments due between 20 March 2020 and 30 June 2020 and have yet to pay it over to HMRC.

## What 3 options are presently open to these businesses?

- Pay the deferred VAT over in full on or before 31 March 2021.
- Opt into the VDNPS online service between 23 February 2021 and 21 June 2021.
- Contact HMRC on 0800 0241222 if you want to ask for additional time to pay above and beyond the time offered through the VDNPS.

## What happens if you don't take up one of these 3 options?

- It could result in you incurring penalties and interest.

## What happens if you opt into the VDNPS?

- Depending upon when you join the scheme, you can spread the deferred VAT payments up to 11 instalments.
- The payments will be interest free.

## How do you join the VDNPS?

- The online service will be available from 23 February to 21 June 2021.
- If you are on the VAT Annual Accounting Scheme or the VAT Payment on Account Scheme you will be invited to join the VDNPS sometime later in March. A definitive date has yet to be agreed.

## Are there any conditions attached to opting into the VDNPS?

- You must have deferred VAT which was due between 20 March and 30 June 2020.
- You are up to date with your VAT returns.
- You must have corrected any errors on your VAT returns.
- You must pay the first instalment at the time of joining the scheme.
- If you do not already have a Government Gateway account you will need to create one.
- Businesses must opt into the scheme, agents cannot do this on their behalf.
- If for some reason you cannot use the online service then you need to contact HMRC on 0800 0240122.

**If you wish to discuss this or other issues, please contact us  
Call 020 3411 4401 or email [info@idhaccountancy.com](mailto:info@idhaccountancy.com)**