

VAT Changes

Compulsory online filing and electronic payment

In 2006, a government report recommended online filing for businesses and IT literate individuals. As a result, over recent years, HMRC have embarked on an ambitious programme of creating online filing facilities and implementing that recommendation.

The registration process

In order to register for VAT online services with HMRC you will need to have to hand the following information:

- Your business VAT registration number
- The principal place of business postcode
- The effective date of VAT registration (from your VAT registration certificate)
- The final month of the last VAT return period end
- The 'Box 5' figure from your last VAT return

Although you will be able to submit a return electronically once you have entered the above information, in order to access any other related services you will need an Activation Code (also known as an Activation PIN). You will also need to make sure that you register in **plenty of time**, as the PIN is sent through the post to you. The issue of a PIN is expected to take seven days but could be longer where demand is high.

Unfortunately only **you** can register for online services. This is not something we can do on your behalf.

How can we help

If we currently or you would like us to deal with the completion of your VAT returns we want to ensure that we comply with the new requirements on your behalf. However, in order for us to continue to submit returns, you will need to register for HMRC's online VAT services as outlined above. Once you have done this and received an Activation Code let us know and we will set ourselves up as your agent.

Agent approval

HMRC will then send you a letter asking you to confirm that you wish us to act as your agent. This letter will contain a unique Authorisation Code. Please forward this to us as soon as you receive it as we need this in order to submit returns on your behalf. The authorisation code is only valid for 28 days.

It is important that you still continue to approve the return before it is submitted to HMRC and we will arrange for you to receive a copy of the form prior to its submission.

Payment of VAT

All businesses, regardless of how they file their returns, **must** normally ensure that payment is made to HMRC by the normal calendar month date.

For those that file online, such a payment must be done electronically. Payment using an electronic method can also be used by a business that submits a paper return.

However, if payment is made by one of the approved electronic methods, an extension of a further seven calendar days is available. Exceptions can apply.

In particular, if the due or extended date falls on a bank holiday or weekend, ensure the payment has cleared the HMRC's bank account before then.

What action do businesses need to take to be ready for this change?

In order to be ready for this change it is important that you register with either the Government Gateway or HMRC Online Services, both of which can be accessed from www.hmrc.gov.uk.

If you have already registered for another HMRC online service then you should be able to add VAT to the list of services which are available to you.

If you have accounting software with an online filing function you will still need to register as above before being able to complete the configuration. Should you need any help or advice with this please contact Andrew Bagley on 01483 416232 or email him on abagley@roffeswayne.com.

Change is often difficult but we are here to help. Please do get in touch if you would like to discuss any of these changes in more detail.

Please contact **Linda Warner** our Tax Partner
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