



The Manufacturing Technologies Association

Covid-19 Advice 15-04-20

Over the last few weeks, a number of members have been in touch about the issue of import VAT, which was originally not included in the list of payments that could be deferred as part of the Coronavirus business support package. Initially the answer to our calls came back negatively, but at the end of last week there was a shift in the position of HMRC, who now will look at this, on a case-by-case basis. HMRC believe that they have emailed the companies most likely to be heavily affected, probably Duty deferment account holders, but there still doesn't seem to have been a regular communication about this. The statements below are from HMRC and you may find it useful to contact them as per the details given.

Duty deferment account holders

Duty deferment account holders who are experiencing severe financial difficulty as a result of Covid-19 and who are unable to make payment of deferred customs duties and import VAT due on 15 April 2020 can contact HMRC for approval to enter into an extended period to make full or partial payment, without having their guarantee called upon or their deferment account suspended. The account holder should contact the Duty Deferment Office 03000 594243 or by email cdoenquiries@hmrc.gov.uk or the COVID-19 helpline on 0800 024 1222. Account holders will be asked to provide an explanation of how Covid-19 has impacted their business finances and cash flow.

Duty Deferment account holders will be able to use their accounts during the extended payment period agreed unless they default on a subsequent payment in that period, in which case HMRC may consider suspending their account. The outstanding payment will not affect their duty deferment limit so they will not need to increase their guarantee to cover the outstanding payment. Where HMRC agree to an extended payment period, interest will not be charged on the outstanding payments provided they are paid in full by the agreed date.

Duty/import VAT payments not covered by a duty deferment account

Registered Importers who pay cash or an equivalent and are facing severe financial difficulties as a direct result of Covid-19 can contact HMRC to request an extension to the payment deadline at the time the payment is due. They will be asked to provide an explanation of how Covid-19 has impacted on their business finances. HMRC will consider this request and decide whether or not to agree an additional time to pay. The decision will be taken on a case-by-case basis and could be refused.

If the request is approved the conditions, including the length of time offered, will depend upon the importer's individual circumstances and may require the holding of a guarantee for the period of the time extension. We cannot offer this facility to non-registered importers. For further information, please contact the Customs Debt Policy inbox (custdebtrr.customspolicy@hmrc.gov.uk)