
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2021, SCHEDULE 19. (See end of Document for details)

SCHEDULES

SCHEDULE 19 **U.K.**

Section 99

DEFERRING VAT PAYMENT BY REASON OF THE CORONAVIRUS EMERGENCY

Definitions

- 1 In this Schedule—
- “the Commissioners” means the Commissioners for Her Majesty's Revenue and Customs;
 - “HMRC” means Her Majesty's Revenue and Customs;
 - “relevant VAT sum” means a sum to meet all or part of a liability described in article 5 of the Finance Act 2008, Section 135 (Coronavirus) Order 2020 (S.I. 2020/934).

Power to agree to further defer payment

- 2 (1) The Commissioners (having agreed that payment of relevant VAT sums may be deferred until 31 March 2021) may—
- (a) agree that payment of a relevant VAT sum may be further deferred, and
 - (b) make such arrangements as they consider appropriate for persons to pay relevant VAT sums.
- (2) The period for which payment is further deferred under sub-paragraph (1) may be different for different cases.
- (3) Arrangements made under sub-paragraph (1) may, among other things—
- (a) require that, in order to participate in the arrangements, a person must meet specified conditions,
 - (b) require or enable a sum to be paid in instalments, including instalments of different amounts, and
 - (c) make different provision for different cases.
- (4) Nothing in sub-paragraphs (1) to (3) affects the powers otherwise available to the Commissioners in connection with the collection and management of relevant VAT sums or other sums.

No surcharge

- 3 No liability to a surcharge on a relevant VAT sum arises under section 59 of VATA 1994 (the default surcharge).

Penalty

- 4 (1) A person who is liable to pay a relevant VAT sum is liable to a penalty if the person—
- (a) fails to pay the sum on or before 30 June 2021, and

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- (b) fails to enter into payment arrangements in respect of the sum on or before that day.
- (2) In sub-paragraph (1), “payment arrangements” means arrangements with HMRC (whether general or individually tailored) under which the sum is to be paid and includes arrangements entered into before this Schedule comes into force.
- (3) A person is not liable to a penalty under this Schedule in respect of a relevant VAT sum if the person satisfies HMRC or, on appeal, a tribunal that there is a reasonable excuse for the failures described in sub-paragraph (1)(a) and (b).
- (4) In sub-paragraph (3), “tribunal” has the same meaning as in VATA 1994 (see section 82 of that Act).

Amount of penalty

- 5 The amount of the penalty under this Schedule is 5% of so much of the relevant VAT sum as has not been paid immediately before the day on which the amount due by way of penalty is assessed under paragraph 6(1).

Assessment of penalty

- 6 (1) Where a person is liable to a penalty under this Schedule, HMRC may assess the amount due by way of penalty and notify it to the person (subject to sub-paragraph (4)).
- (2) If it appears to HMRC that the amount that ought to have been assessed in an assessment under sub-paragraph (1) exceeds the amount that was assessed, HMRC may make a supplementary assessment of the amount of the excess and notify it to the person (subject to sub-paragraph (4)).
- (3) If it appears to HMRC that the amount that was assessed in an assessment under sub-paragraph (1) exceeds the amount that ought to have been assessed, HMRC may, by notice to the person, amend the assessment so as to reduce the amount due.
- (4) An assessment under sub-paragraph (1) or (2) may not be made after the end of the period of 2 years beginning with the time when facts sufficient in the opinion of HMRC to indicate that the person had failed as described in paragraph 4(1)(a) and (b) came to HMRC's knowledge.
- (5) An amendment under sub-paragraph (3) may be made after the last day on which the assessment in question could have been made.

Payment of penalty

- 7 (1) A penalty under this Schedule must be paid before the end of the period of 30 days beginning with the day on which notification of the assessment of the penalty under paragraph 6(1) is issued.
- (2) Where HMRC make a supplementary assessment under paragraph 6(2), the additional amount must be paid before the end of the period of 30 days beginning with the day on which they issue the notification of that assessment.
- (3) Where HMRC amend an assessment under paragraph 6(3) that does not affect when the penalty must be paid.

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Recovery of penalty

- 8 (1) If an amount is assessed and notified to a person under this Schedule then unless, or except to the extent that, the assessment is withdrawn or reduced, the amount is recoverable as if it were VAT due from the person.
- (2) In sub-paragraph (1), “VAT” has the same meaning as in VATA 1994 (see section 96 of that Act).

Reviews and appeals

- 9 (1) Part 5 of VATA 1994 (reviews and appeals) has effect in relation to—
- (a) any liability to a penalty under this Schedule, and
 - (b) the amount of a penalty under this Schedule,
- as if those matters were listed in section 83(1) of that Act.
- (2) Section 84(3), (3B) and (3C) of that Act (requirement to deposit sum payable with HMRC) have effect in relation to appeals against decisions with respect to those matters.

Double jeopardy

- 10 A person is not liable to a penalty under this Schedule in respect of a failure in respect of which the person has been convicted of an offence.

Notifications etc

- 11 (1) Section 98 of VATA 1994 (service of notices) applies to notices and notifications to be given under this Schedule as it applies to notices and notifications to be given under that Act.
- (2) For the purposes of this Schedule, a notice or notification given to a personal representative, trustee in bankruptcy, trustee in sequestration, receiver, liquidator or other representative of a person is to be treated as having been given to that person.
- (3) In sub-paragraph (2), “trustee in sequestration” has the same meaning as in VATA 1994 (see section 96 of that Act).

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