**The reliefs and support being offered to businesses is still being clarified by HMRC, but below is our understanding of some of the key aspects of support to businesses.**

**VAT**

***Do I need to cancel my VAT direct Debit?***

To take advantage of the deferral of VAT falling due for payment in the period 20th March to 30th June, clients will have to cancel their direct debits before the payment is due.

These will then need to be re-instated by the clients before payment are due outside of this period.

They will then have until 31 March 2021 for companies and 5th April 2021 for unincorporated businesses to settle the amount due.

**Company accounts filing extension**

Companies House have confirmed that a 3 month extension for filing the year end company accounts can be applied for and citing issues around COVID-19 will result in an automatic and immediate extension. Full details can be found at <https://www.gov.uk/government/news/companies-to-receive-3-month-extension-period-to-file-accounts-during-covid-19>. The application process is made online and any client wishing us to submit this for them should contact us.

**Furlough workers - Coronavirus job retention scheme**

***How will claims be assessed and processed?***

• Under the Coronavirus Job Retention Scheme, all employers in the UK will be able to access support to continue paying part of employees’ salaries who would otherwise have been laid off during the ongoing crisis. Furloughed workers are employees whose employers cannot cover staff costs due to coronavirus, and as such they have been asked to stop working but have not been made redundant.

• The employer should discuss with affected employees and notify them (preferably in writing) that they have become ‘furloughed workers’.

• The employer will need to submit information to HMRC about the employees that have been furloughed and their earnings via a new online portal.

• To avoid fraud, there are expected to be cross-checks between the applications for grants against PAYE records for each employer.

•Employers will be required to make one claim for the entire workforce, record how many workers are covered and will need to keep records.

***Will employers still have to pay Employers NIC?***

• HMRC has said it will clarify in due course whether employer NICs will be payable on these grants. Employees remain on the payroll deducting tax and employee national insurance under the pay as you earn (PAYE) system.

***Will agents be able to apply for these loans/grants on clients’ behalf?***

• HMRC is due to set out further details on the information required and the requirements for who is able to submit. The employer will need to submit information to HMRC about the employees that have been furloughed and their earnings. The submission will be through a new online portal which is expected before the end of April.

***Do I have to pay staff in full to qualify***

• It is currently our understanding that paying the 20% of net wages not covered by the scheme is voluntary

**Income tax deferred payments**

***Will anything change about requesting a deferred payment in July under this new regime?***

Deferral is automatic for self-employed. They can defer their income tax self-assessment second payment on account for 2019/20 due on 31 July 2020. It is deferred until 31 January 2021.

**Corporation Tax**

***Will similar deferments be available for CT soon?*** ***If so, how will they work?***

Deferral can be applied for under time to pay with HMRC on a case by case basis. They can be contacted on 0800 0159 559

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