
LLEWELYN DAVIES

ONLINE FILING OF VAT RETURNS



Working as a team

www.llewelyndavies.co.uk

1. What is VAT?

Value Added Tax is a tax businesses charge when they supply their goods and services in the United Kingdom (UK) or Isle of Man.

It is also charged on goods, and some services, that are imported from places outside the European community (EC) and on goods coming into the UK from another EC member state.

2. What is happening to the Process of Filing VAT Returns?

The government plan to phase out paper VAT returns with effect from 1 April 2010. If your turnover is over £100,000 or if you are newly registered you must file your VAT return online and pay vat electronically.

3. Online Accounts for VAT?

Setting up an online account is a straightforward, six step process:

1. Log on to the government website www.hmrc.gov.uk and select the VAT option
2. Accept the terms and conditions
3. Enter your name and email address
4. Create your password
5. Note your User ID
6. Enter details about you and your VAT registration

4. Advantages of filing online

a) Online filing is easier and faster

Online filing means there are no postal delays to worry about.

There are also automatic calculations and checks to reduce errors. This means that you are less likely to have your VAT return sent back to you for correction or clarification - so you are therefore less likely to be penalised for missing filing deadlines or for filing incorrect returns.

b) Online filing is more secure

The VAT online system uses secure communications for all messages sent to and received from you.

You can be sure that your returns have been successfully filed because you get an immediate on-screen acknowledgement and reference number.

You can see full details of the VAT return you have submitted, and you can view your payment and repayment history.

c) Online filing can help your cashflow

You get up to seven extra calendar days to submit your VAT return when you do it online. By paying electronically, you can also get up to seven extra calendar days to pay your VAT. If you pay by direct debit you have three further banking days before payment is taken from your account.

This also means that you will receive your VAT repayment quicker if HMRC owes you money.

5. Who can help me set up the online service?

Llewelyn Davies has staff experienced in this field and can assist you.

In order for us to assist you with this service, we require the following:

1. Details of your bank account where the payment or refund is to be made, including account number, sort code and full name and address of the bank. These details can be found on either your chequebook or recent bank statement.
2. Vat registration number
3. Principal place of business postcode
4. Date of registration
5. Month of last vat return period end
6. The box 5 figure on your last vat return

6. Other things you can do with VAT online

You can receive a VAT reminder by email to tell you that your VAT return is due and email alerts to keep you up to date with the latest VAT developments.

Once you have a VAT online account you can also:

- a) File other forms
- b) Notify HMRC of changes to your VAT registration details
- c) Change your payment options
- d) Nominate an accountant or tax advisor (HMRC calls this an agent) to deal with your VAT

We hope the contents are a useful summary. We have taken every care in the preparation of the leaflet, however we can accept no responsibility for any loss occasioned by any person acting or refraining from action as a result of this material. We prepare VAT returns for many of our clients and provide assistance with registration and deregistration. If you need any further information please contact one of our Offices.

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