



Dear Sir or Madam

Support your clients to send us their overdue VAT Returns

We recognise and value the role you play as a tax agent in supporting customers to get their taxes right. We need your help to identify any of your clients who have up to two overdue VAT Returns.

As VAT registered businesses, your clients have a legal obligation to send us their VAT Returns, even if they have no VAT to pay or reclaim.

If any of your clients are no longer trading, please ask them to tell us so we can update our records.

What you need to do now

Step 1: Identify any of your clients that have up to two overdue VAT Returns

We can review our records and give you a redacted list of your clients that may have outstanding returns.

If you want us to send you this information by email, you must read the attached factsheet 'Corresponding with HMRC by email'. You'll then need to send an email to the address at the top of this letter, confirming you've read, understood and agree to using email.

If you'd prefer to receive these details in a letter, please let us know by email.

Step 2: Work with any affected clients to check for and send us any overdue VAT Returns

To do this, your affected clients will need to have authorised you to log into their HMRC business tax accounts.

Your clients need to send us all their future VAT Returns no later than one calendar month and 7 days after the end of the accounting period. They also need to pay any VAT due by this deadline.

If your clients have sent us their overdue VAT Returns in the last two weeks, they don't need to do anything else.

Step 3: Help your clients pay any VAT amount due

If they owe any VAT, they can pay online. To do this, they'll need to go to GOV.UK and search 'pay your VAT bill'.

If any of your clients are no longer trading

They need to cancel their VAT registration within 30 days of the date they stop trading, or are no longer eligible to be VAT registered.

If your clients' VAT taxable turnover falls below £83,000, they can ask us to cancel their VAT registration for them.

You can find information online about whether your clients need to cancel their registration, and how to cancel. Go to GOV.UK, search 'register for VAT' and then choose 'cancel your VAT registration'.

If your clients don't send us their overdue returns and pay any VAT they owe

We can make an assessment (an estimate) of what we think they owe and ask them to pay that amount. This could be more than what they owe.

If your clients send us a return late, we can also charge a surcharge or penalties, as well as interest.

We can charge different penalties, depending on whether the accounting period starts before or after 1 January 2023.

If your clients have nothing to declare and send us a nil return late for an accounting period which started after 1 January 2023, we'll still charge them a penalty. We won't charge them a penalty if the accounting period started before 1 January 2023.

For information about surcharges and penalties, go to GOV.UK, search 'send a VAT return' and choose 'late returns and payment'.

If your clients have a reasonable excuse for not sending us their return on time, we won't charge them any penalties. However, they must then send us their return as soon as the reasonable excuse ends.

For information about reasonable excuses, go to GOV.UK, search 'disagree with a tax decision' and choose 'reasonable excuses'.

More information on VAT

For advice on what VAT records your clients must keep and how to keep them, go to GOV.UK and search 'VAT record keeping'.

For general information about Making Tax Digital for VAT, go to GOV.UK and search 'VAT Notice 700/22'

For information about Making Tax Digital penalties, go to GOV.UK and search 'How to avoid a penalty for Making Tax Digital for VAT'.

If you need to contact us about this letter, please email us at agentcomplianceteam@hmrc.gov.uk and include 'VAT future returns' in the subject line of your email.

If you contact us, we can deal with you more quickly if you quote our reference number and provide a daytime phone number.

Yours faithfully

Agent Compliance Team
HM Revenue and Customs

Join the millions of taxpayers already using their Personal Tax Account to access a range of services. It takes just a few minutes to get started, go to www.gov.uk/personal-tax-account Or you can use the HMRC app.

To find out what you can expect from us and what we expect from you go to www.gov.uk and search for 'HMRC Charter'. For the standards tax agents are expected to follow, go to www.gov.uk and search 'the standard for agents'.



Corresponding with HMRC electronically

Use the following information to decide whether you want to deal with HM Revenue and Customs (HMRC) electronically using email or Dropbox. We take the security of personal information very seriously. Email is useful for corresponding with us, but is not secure. Dropbox is useful for sending us information and is more secure, but still has risks. It's very important that you understand the risks of each before you use them to correspond with us.

Before we can use email or Dropbox for your personal or sensitive data, you must read the risks detailed below and confirm in writing that you understand and accept them.

Email

The main risks associated with using email that concern HMRC are:

- confidentiality and privacy – there's a risk that emails sent over the internet may be intercepted
- confirming your identity – it's crucial that we only communicate with established contacts at their correct email addresses
- there's no guarantee that an email received over an insecure network, like the internet, has not been altered during transit
- attachments could contain a virus or malicious code

To reduce the risks:

- we'll desensitise information, for example by only quoting part of any unique reference numbers
- we can also use encryption, we can discuss how you may do the same but still give the information we need
- HMRC undertake regular assurance to make sure all precautions are being followed

Dropbox

The main risks associated with using Dropbox are:

- unauthorised access to data held in Dropbox
- scammers posing as HMRC to get customers to upload data to them

To reduce the risks:

- access to Dropbox is restricted to named licence holders
- Dropbox data is held in secure storage and is not held in Dropbox for more than 24 hours
- a link to upload your files will be sent to you via an HMRC email address
- time to upload your files to Dropbox via the link will be restricted to 48 hours
- once the files are received HMRC will confirm receipt and retrieval of the data by email

Please note that the data will be stored temporarily on Dropbox's servers in the European Union. This is compliant with the General Data Protection Regulations (GDPR).

If you do not want to use email or Dropbox

You may prefer that we do not respond by email, for example because other people have access to your email account. If so, we're happy to respond by another method. We'll agree this with you either by telephone or in writing via post.

If you do want to use email and/or Dropbox

If you would like to use email or Dropbox as one of the ways HMRC will contact you, we'll need you to confirm in writing by post or email:

- that you understand and accept the risks of using email and/or Dropbox
- that you're content for financial information to be sent by email and/or Dropbox
- the attachments can be sent with email

If you're the authorised agent or representative we'll need you to confirm in writing by post or email that your client understands and accepts the risks.

Please also:

- send us the names and email addresses of all people you would like us to use email with – for example, yourself, your staff, your representative, your agent
- confirm you've made sure that your junk mail filters are not set to reject and/or automatically delete HMRC emails

How we use your agreement

Your confirmation will be held on file and will apply to future email or Dropbox correspondence. We'll review the agreement at regular intervals to make sure there are no changes.

Opting out

You may opt out of using email and/or Dropbox at any time by letting us know.

More information

You can find more information on HMRC's privacy policy. Go to www.gov.uk and search for 'HMRC Privacy Notice'.