

Do I pay penalty when my VAT returns or payments are late?

VAT penalties are not fixed penalties are based on the actual VAT payable. They start from 2% and can go up to 15%, which can be very costly, mistake for any business. Within a period of 12 months if you make mistake once then you are put on probation and any further delay will result in penalties.

What shall I do?

Firstly provide your records to your accountant on time so that VAT returns are never late. If you Anticipate regular problems in providing data then why don't you switch on annual accounting scheme. Under this scheme you submit VAT return once a year and hence no penalties. You are required to submit VAT returns within 2 months of the end of the accounting year and this means less hassle of regular accounting.

