

TIME TO PAY (TTP) ARRANGEMENTS

'All businesses and self-employed people in financial distress, and with outstanding tax liabilities, may be eligible to receive support with their tax affairs through HMRC's Time To Pay service. These arrangements are agreed on a case-by-case basis and are tailored to individual circumstances and liabilities.'

If you are concerned about being able to pay your tax due to COVID-19, call HMRC's dedicated helpline on 0800 0159 559.' – From the gov.uk website.

A TTP is an arrangement to allow a business suffering temporary financial difficulties to pay its tax liabilities over an extended period of time rather than on the day they fall due. VAT, PAYE and Corporation Tax can all be subject to TTP arrangements.

TTP is appropriate where the business is suffering temporary financial difficulties rather than fundamental ongoing financial difficulties. In this regard, the government has already recognised that TTP is a valid route for businesses suffering as a result of the current ongoing Covid-19 pandemic.

The government has set up a dedicated HMRC Coronavirus Helpline - **0800 015 9559**. This helpline is currently open Monday to Friday 8am to 8pm and Saturday between 8am and 4pm. HMRC has stated that this helpline can be used to:

- Agree instalment arrangements
- Suspend debt collection proceedings
- Cancelling penalties and interest where you have administrative difficulties contacting or paying HMRC immediately

We can help you with this process or you can call the helpline yourself. HMRC prefer that they are approached before the liability falls due though historically, they have still considered matters if they were contacted after the due date.

In normal circumstances during the call you would need to explain what has caused the problems and have a clear idea of how much you could afford to pay (ideally supported by cashflow projections). Typically, HMRC have tried to keep the length of TTP arrangements to 6 months or less though longer arrangements have been achieved in the past. Things might be slightly different in the current climate; we have seen instances of HMRC simply 'parking' payments for 2 months to allow some time for conditions to improve. It seems that HMRC are being helpful, but we anticipate that they will be receiving a very large number of calls.