

VAT – PENALTIES FOR LATE PAYMENT & LATE FILING

PENALTY POINTS THRESHOLDS PER ACCOUNTING PERIOD

Standard annual	Standard quarterly	Standard monthly
TWO	FOUR	FIVE
Non-standard 20 weeks	Non-standard between eight and twenty weeks	Eight weeks or less
TWO	FOUR	FIVE

VAT LATE SUBMISSION PENALTIES IF YOUR TURNOVER IS LESS THAN £150,000 (ACCOUNTING PERIODS STARTING ON OR BEFORE 31 DECEMBER)

First late submission – no surcharge but you enter a surcharge period of 12 months from the first day submission was overdue	Second late submission – no surcharge but you enter a surcharge period of 12 months from the first day it was overdue	Third late submission – 2% surcharge, or zero if VAT owed is less than £400
Fourth late submission – 5% surcharge, or zero if vat owed is less than £400	Fifth late submission 10% surcharge or £30 (whichever is more)	Sixth or more late submission 15% surcharge or £30 (whichever is more)

**VAT LATE SUBMISSION PENALTIES IF YOUR TURNOVER IS £150,000 OR MORE
(ACCOUNTING PERIODS STARTING ON OR BEFORE 31 DECEMBER)**

**FIRST LATE
SUBMISSION**

No surcharge but you enter a surcharge period of 12 months from the first day submission was overdue

**SECOND LATE
SUBMISSION**

2% surcharge, or zero if vat owed is less than £400

**THIRD LATE
SUBMISSION**

5% surcharge, or zero if VAT owed is less than £400

**FOURTH LATE
SUBMISSION**

10% surcharge or £30 (whichever is more)

**FIFTH LATE
SUBMISSION**

15% surcharge or £30 (whichever is more)

**SIXTH OR MORE
LATE SUBMISSION**

15% surcharge or £30 (whichever is more)

VAT LATE PAYMENT PENALTIES

**PAYMENT BETWEEN
16-30 DAYS LATE – 2%
CHARGE ON THE VAT
YOU OWE AT
DAY 15**

Payment 31 days or more late – two per cent charge of what was outstanding at day 15, plus two per cent of what is still outstanding at day 30 and a daily rate of four per cent per year on the outstanding balance which is charged every day from day 31 until the outstanding balance is paid in full

**Late payment interest charged at 2.5% plus Bank of England base rate
On vat owed for every day payment is overdue.**

VAT LATE SUBMISSION PENALTIES

For accounting periods starting from or after 1 January 2023, late VAT submissions work on a points-based system. Every late submission will cost you a penalty point once you have reached your points threshold, you will receive a £200 fine, plus a further £200 fine for each subsequent late submission while you're at the threshold.