

## VAT

### Voluntary Disclosure VAT 652

### What happens if you make a mistake with your VAT Return?

Mistakes can, and do, appear when the VAT account is reconciled either due to the way that VAT has been claimed, or paid.

From 1<sup>st</sup> July 2008 errors the greater of

£10,000, or  
1% of turnover, subject to an upper limit of £50,000

an adjustment can be made to the next VAT return, BUT good records of the adjustment have to be made in the VAT account, to enable someone to check the authenticity.

There maybe a number of reasons why a company, or individual, may wish to separately disclose the VAT error: -

- The net amount is above £10000
- The VAT has been over/under paid and the client wants to reclaim/pay earlier then the next quarter.
- The client has just changed to the Flat Rate Scheme, prior to the error being discovered, and there is no opportunity to adjust the next VAT return.

Filing a voluntary disclosure form VAT 652 before an enquiry begins, means that penalties for misdeclaration may not be levied, but interest may still be charged.

The relevant notice for Voluntary disclosure is Notice 700/45.

The VAT 652 can be found at: -

<http://search2.hmrc.gov.uk/kbroker/hmrc/forms/viewform.jsp?formId=1030>

When sending the form, ignore the information at the top telling you to send it to the "Local" office. This is incorrect, as offices have been assigned new areas.

Contact the National Advice line 0845 010 9000 and choose option 2.

Ask the operative for the office address, based on the POSTCODE of the business.