

Tips to agree a “Time to Pay” arrangement with HMRC

- Under £200-250k, deal with Debt Management Unit over the phone
- Over £250k make a written proposal and send to the specialist HMRC team

A proposal should include:

1. What has been the impact of Covid on the business, prior to lockdown & since release of lockdown – some narrative plus financial projections
2. What has the business done to mitigate that impact already, including referencing all these areas, even if they haven't been possible for that business (and explain why not):
 1. What cost savings has the business been able to make - redundancies; release of properties not required, sell-off stock or unutilised assets etc
 2. How has the business attempted to raise external debt or equity finance from 3rd parties and owner/directors; have they strong credit control measures to bring in cash from trade debtors?
 3. Has the business used all the appropriate government schemes including BBLs/CBILS, any grants which are available and have they paid over any PAYE/NI which they have claimed in any CJRS claim?
 4. Can you show that all stakeholders are supporting this business' recovery too, including other lenders, trade creditors etc?
3. If there is a strong business case to stretch payments over more than 12 months, then you could attempt to propose up to 18 - 24 months but it will depend on the strength of the proposal;
4. Ensure your client includes plenty of headroom in their projections - it's far more difficult to agree a new TTP with HMRC if the first one fails