Register for VAT

Contents

When to register for VAT

You must register if either:

- your total taxable turnover for the last 12 months goes over £90,000 (the VAT threshold)
- you expect your taxable turnover to go over £90,000 in the next 30 days

> This guide is also available in Welsh (Cymraeg) (/cofrestru-ar-gyfer-taw).

You must also register (regardless of taxable turnover) if all of the following are true:

- you're based outside the UK

- your business is based outside the UK
- you supply any goods or services to the UK (or expect to in the next 30 days)

If you’re not sure if this applies to you, read the guidance on non-established taxable persons (NETPs) - basic information (/government/publications/vat-notice-7001-should-i-be-registered-for-vat/vat-notice-7001-should-i-be-registered-for-vat) in who should register for VAT - VAT notice 700/1.

You can choose to register for VAT if your turnover is less than £90,000 (‘voluntary registration’).

You must pay HM Revenue and Customs (HMRC) any VAT you owe from the date they register you.

You do not have to register if you only sell VAT exempt or ‘out of scope’ goods and services (/charge-reclaim-record-vat/when-not-to-charge-vat).

> If you run a private school, find out if you need to register for VAT (/guidance/check-if-you-must-register-for-vat-if-you-receive-private-school-fees).

Calculate your turnover

Taxable turnover is the total value of everything you sell that is not VAT exempt or ‘out of scope’ goods and services (/charge-reclaim-record-vat/when-not-to-charge-vat).

It also includes:

- zero-rated goods
- reduced-rated goods
- standard-rated goods
- goods you hired or loaned to customers
- business goods used for personal reasons
- goods you bartered, part-exchanged (/guidance/vat-part-exchanges-barters-and-set-offs) or gave as gifts
- services you received from businesses in other countries that you had to ‘reverse charge’ (/vat-on-services-from-abroad)

- goods and services which are subject to the 'domestic reverse charge' (/guidance/the-vat-domestic-reverse-charge-procedure-notice-735)
- building work over £100,000 (/guidance/buildings-and-construction-vat-notice-708) your business did for itself

If you exceeded the threshold in the last 12 months

You must register if your total taxable turnover for the last 12 months goes over £90,000.

You have to register within 30 days of the end of the month when you went over the threshold. Your effective date of registration is the first day of the second month after you go over the threshold.

Example

> On 15 July your total taxable turnover for the last 12 months is £100,000. That's the first time it has gone over the VAT threshold. You must register by 30 August. Your effective date of registration is 1 September.

If you're going to exceed the threshold in the next 30 days

You must register if you realise that your total taxable turnover is going to go over the £90,000 threshold in the next 30 days.

You have to register by the end of that 30-day period. Your effective date of registration is the date you realised, not the date your turnover went over the threshold.

Example

> On 1 May, you arrange a £100,000 contract to provide services. You'll be paid at the end of May. You must submit your VAT registration application by 30 May. Your effective date of registration will be 1 May.

If you’re based in Northern Ireland and sell goods or services that are VAT exempt

You’ll need to register if you only sell VAT exempt or ‘out of scope’ goods and services (/charge-reclaim-record-vat/when-not-to-charge-vat) but you buy goods for more than £90,000 in any 12 month period from EU VAT-registered suppliers (https://ec.europa.eu/taxation_customs/vies/#/vat-validation) to use in your business.

If you take over a VAT-registered business

You must register for VAT if the combined taxable turnover of the new business and your existing business is over the threshold.

Late registration

If you register late, you must pay VAT on any sales you’ve made since the date you should have registered.

> You might need to pay a penalty (/guidance/late-registration-penalty-for-vat-notice-70041), depending on how much you owe and how late your registration is.

If you go over the threshold temporarily

You can apply for a registration ‘exception’ (/guidance/apply-for-an-exception-from-registering-for-vat) if your taxable turnover goes over the threshold temporarily.

HMRC will consider your exception and write to confirm if you get one. If not, they’ll register you for VAT.

Exemption from registration

If most of your taxable goods or services have a VAT rate of 0% (zero-rated supplies) you might not need to register for VAT. You’ll need to ask HMRC for permission - this is called an exemption from registration.

If you’re a non-established taxable person, all of your taxable goods or services must be zero-rated in order to be eligible for exemption from registration.

Apply for an exemption from registration either:

- online using the register for VAT online (/register-for-vat/how-register-for-vat) service
- by post - contact HMRC to request the VAT1 registration form (/guidance/register-for-vat)

If you dispose of assets and have claimed a repayment of VAT on them, you will need to fill in form VAT1C (/government/publications/vat-registration-notification-vat1c) and the VAT1 registration form (/guidance/register-for-vat).

What happens next

HMRC will write to you to let you know whether your exemption application has been approved. If your application is rejected, HMRC will register you for VAT.

→ **Next**
How to register for VAT **(/register-for-vat/how-register-for-vat)**

View a printable version of the whole guide (/register-for-vat/print)