



There is help on form VAT1 itself but these notes provide extra help with some of the questions.

The notes have the same numbers as the questions they refer to.

On the form, complete each question in order ticking 'Yes' or 'No' where asked. There is a **Glossary** on pages 9 and 10. You may have to tick No to some questions because they do not apply to you. The form will tell you what to do.

If you need more space, continue on a separate sheet of paper. Write the name and address of the applicant on any sheets of paper you use.

When you have completed the form use the **Checklist** on page 6 to make sure you have completed your application. The instructions for **sending your completed application** are on page 7.

About the business

6

Business activities

Explain what your business does, including the type of goods or services you supply and whether your supplies are retail or wholesale. For example, instead of 'building services', enter 'plasterer' or 'electrician', etc, or instead of 'consultancy', enter 'management consultancy' or 'financial consultancy', etc.

If you have not started trading, please enter details of your intended business activities.

If your business has more than one activity, enter any other activities in the 'Other activities' box.

If your business activities relate to the buying, selling or letting of land or property, you may need to elect to waive exemption from VAT (known as 'option to tax') by completing form VAT1614 *Option to tax land and property*. For more information see VAT Notice 742A *Opting to tax land and buildings*.

7

Are you currently involved, or in the last two years been involved, in any other business in the UK or Isle of Man either as a sole proprietor, partner or director?

Include any other business where partners or directors of the business have been involved and are making this application.

If the only previous involvement of the directors was with companies that were members of a corporate group, you need only enter the names of the holding companies.

If you are registering a company that is part of a corporate group, you need only enter the name of the holding company.

If any of the holding companies you enter are VAT registered or are part of a VAT group, show their VAT registration numbers.

Forms and Notices are available from:

- our VAT, Excise and Customs Duties Advice Line on **0845 010 9000**, or
- our website at www.hmrc.gov.uk.

8 UK bank or building society account

This must be a UK account in the name of the business you are registering. We will repay any VAT we owe the business directly into this bank or building society account. If you do not have a UK bank account, please explain on a separate sheet of paper. If you are currently in the process of opening a business account, you must provide copies of any relevant correspondence received from your bank or building society.

Note - some accounts cannot receive payments in this way so check with your bank or building society if you are not sure.

About your VAT registration

This part of form VAT1 requires legal statements and it is important that you provide accurate information.

Read the notes to the questions carefully before you answer. You can also phone our VAT, Excise and Customs Duties Advice Line on **0845 010 9000** if you need help.

9 Are you registering for VAT because you have taken over (or are about to take over) a business (or part of a business) as a going concern, or changed (or are about to change) the legal status of a VAT registered business?

Enter the date the change took place and work out if you need to register from that date. Look at the value of the taxable supplies made by the transferred business in the 12 months before the transfer and add the value of any taxable supplies you have made (if you were already the owner of a business) in the 12 months before the transfer. If the total is over the registration threshold you must register within 30 days and your effective date of registration will be the date when the change took place.

Obtain and keep the turnover records of the transferred business so you can keep a check on whether you go over the threshold in later months because, if you do not need to register now, you need to keep checking the combined turnovers on a monthly basis (see 'You may need to keep checking your turnover' on page 4).

By 'change of legal status' we mean a change, for example, from a sole proprietorship to a partnership or limited company.

12 Do you want to keep the previous owner's VAT number?

In certain circumstances you can apply to keep the previous owner's VAT registration number. Send a completed form VAT68 back to us with your form VAT1. For more information see VAT Notice 700/9 *Transfer of a business as a going concern*.

Note - you will be responsible for accounting for all the tax due in the whole tax period that ends after the date of transfer, not just from the date you took over. And if the number is reallocated to you, you will also be responsible for all VAT declarations that were made before the transfer, and you will have to correct any errors and pay any interest that may be due (but not any penalty).

If we cannot reallocate the number, we will issue you with a new number.

13 Are you applying for voluntary registration?

You can apply for voluntary registration where your turnover does not go over the registration threshold, or where you intend to trade but your business has not started yet.

Enter the date you would like to be registered from. We cannot accept a date that is more than three years before the date of your application. Sometimes we may ask for evidence from you about the supplies that you are making or intending to make.

Important - the date you put here, once we have agreed it, will be your registration date. You must account for output tax on all your taxable supplies from that date. Once a date is agreed, you cannot change your mind and ask us to alter your voluntary registration to a different date. We will only agree to change the date of registration in exceptional circumstances.

14 and 15

If you are registering because your taxable turnover has gone over the registration threshold in any past period of 12 months or less, you must complete and send form VAT1 within 30 days of the end of the month in which your taxable turnover went over the threshold.

If you are registering because you had an expectation on any date that your taxable turnover would go over the registration threshold in the next 30 days alone, you must complete and send form VAT1 within 30 days of the date you first expected this.

You may have to pay a penalty, in addition to any VAT that is due, if you do not register for VAT at the correct time.

Tick Yes to Question 14 if you are registering because your taxable turnover has gone over the registration threshold in any past period of 12 months or less.

Also, tick Yes to Question 15 if you expect the value of taxable supplies you will make in the next 30 days alone to go over the VAT threshold or, if at sometime in the past, you expected the value of your taxable supplies to go over the threshold in the next 30 days alone.

For example, this could happen if you were running an exhibition and expected to sell enough tickets to go over the VAT threshold, or if you have won a big contract to supply goods or services.

Tick No to Question 15 if you do not expect the value of your taxable supplies to go over the registration threshold in the next 30 days alone, or never had such an expectation at anytime in the past.

If you answered 'Yes' to Question 14 and 'No' to Question 15, your effective date of registration will be the first day of the second month after your taxable supplies went over the registration threshold. For example, if you went over the threshold on 31 August, you would have to tell us by 30 September and your registration date would be 1 October.

 To find out the current VAT thresholds and rates:

- ring our VAT, Excise and Customs Duties Advice Line on **0845 010 9000**, or
- go to our website at **www.hmrc.gov.uk**.

If you answered 'No' to Question 14 and 'Yes' to Question 15, your effective date of registration will be the date shown at Question 15. For example, if you expect to go over the threshold in the next 30 days alone on 20 January, you must complete and send form VAT1 by 21 February and your registration date would be 20 January.

If you have answered 'Yes' to both Question 14 and Question 15, your effective date of registration will be the earlier of either the first day of the second month following the date shown at Question 14 or the date shown at Question 15.

You may need to keep checking your turnover

When you have worked through the form and answered all the questions that apply to you, you may not be liable to apply for VAT registration because you have not gone over the threshold. If this happens to you, keep checking your turnover once a month to see if you go over the threshold.

Each month look at how you have answered Questions 14 and 15 (your past and future turnover). If you go over the threshold, you will have to apply to be registered and you will only have 30 days to complete and send your application.

If you have taken over a going concern but did not need to register at the date of change, **you must also include the turnover of the business before the transfer in carrying out your monthly check on turnover.**

16 Do you want to apply for exemption from registration?

You can apply for exemption from registration if your taxable supplies are all or nearly all zero-rated. (You can look up 'Zero-rated supplies' in the Glossary on page 10.)

If zero-rated supplies along with standard and reduced rate supplies are involved, you will need to show us you are going to be in an overall repayment position over the next 12 months. Exemption from registration is at the discretion of HM Revenue & Customs. Complete form VAT1 in full so we have information to help us make a decision about granting exemption.

17 Application for earlier registration

Some businesses may benefit from registering for VAT earlier than the date they become liable to register. For example, you may wish to claim back the VAT you were charged for expenses connected with setting up your business. Subject to certain conditions, you can reclaim VAT on goods you bought for your business within the last three years provided you have not yet sold them, together with VAT on services you received not more than six months before your registration date.

Important - if you ask for an earlier date than the one on which you are obliged to be registered, and we agree to it, you will have to account for output tax on all your taxable supplies from the earlier date. Once we have agreed the date it cannot be altered later (unless we find out you were liable to be registered from a date earlier than the one we agreed).

Enter the date you want to be registered from, if this is earlier than the date you are required to be registered. (But we cannot accept a date earlier than three years from the date you are required to be registered.)

18 Do you expect the VAT on your purchases to regularly exceed the VAT on your taxable supplies?

This question is about whether the business is likely to get regular repayments from us because the taxable supplies are mainly zero-rated.

Note - if you are intending to ask for exemption from registration (Question 17), you should answer this question **now**, in case exemption is not granted.

21 Do you expect to buy goods from other EU member states in the next 12 months?

If Yes, enter the value of goods you expect to buy in the 12 months following your date of registration.

Do you expect to sell goods to other EU member states in the next 12 months?

If Yes, enter the value of goods you think you will sell in the 12 months following your date of registration.

Do not include the value of any services unless they are directly related to moving goods (for example, commission, freight insurance, etc.).

Checklist

Using this checklist will help you to make sure that you have completed the form correctly and included any other forms and documents we have asked you to send.

If you are not sure what to do, read the notes to the Questions, as appropriate, or phone our VAT, Excise and Customs Duties Advice Line on **0845 010 9000**.

Have you signed and dated form VAT1?

If appropriate to the business' circumstances, have you completed and enclosed:

- **Form VAT2**

–relates to Question 1, and applies if the business is a partnership

- **Forms VAT50 and VAT51**

–applies if you answered Yes to Question 4

- **Form VAT1614**

–relates to Question 6, and applies if the business activities involve land and property and you are 'opting to tax'

- **Form VAT68**

–applies if you answered Yes to Question 12. You must complete this form if you are applying to transfer an existing VAT number.

Have you entered details from the Certificate of Incorporation?

–relates to Question 3, and applies if the business is a corporate body.

Have you enclosed an authorised signatory letter, or an agent authorisation form 64-8?

–relates to Question 23, and applies if an authorised signatory, or an authorised agent, is signing this application.

If you have any separate sheets of paper giving extra information,

have you written the applicant's name and address on each sheet before enclosing them with this form?

Sending your completed application

Send your completed application form to the following Registration Units:

For all standard registration applications send to:

Wolverhampton Registration Unit

HM Revenue & Customs

Deansgate

62-70 Tettenhall Road

Wolverhampton WV1 4TZ

Telephone **0845 039 0129**

For applications to register a VAT group or if you wish to keep the previous owner's VAT number (where you have ticked 'Yes' to Question 12 on the application form) send to:

Grimsby Registration Unit

HM Revenue & Customs

Imperial House

77 Victoria Street

Grimsby DN31 1DB

Telephone **0845 039 0279**

About HMRC

For more information about our service commitment go to www.hmrc.gov.uk/about/sc.htm

For more information about our complaints procedure go to www.hmrc.gov.uk and look for *Complaints* within the *Search* facility.

How we use your information

HM Revenue & Customs is a Data Controller under the Data Protection Act 1998. We hold information for the purposes specified in our notification to the Information Commissioner, including the assessment and collection of tax and duties, the payment of benefits and the prevention and detection of crime, and may use this information for any of them.

We may get information about you from others, or we may give information to them. If we do, it will only be as the law permits to

- check the accuracy of information
- prevent or detect crime
- protect public funds.

We may check information we receive about you with what is already in our records. This can include information provided by you, as well as by others, such as other government departments or agencies and overseas tax and customs authorities. We will not give information to anyone outside HM Revenue & Customs unless the law permits us to do so. For more information go to www.hmrc.gov.uk and look for *Data Protection Act* within the *Search* facility.

Glossary

There are some special terms that we use in relation to VAT. These are the ones you need to know to complete your form VAT1. If you need more help, look at the notes to the questions.

You can download the VAT Notices from our website at www.hmrc.gov.uk and you can phone our VAT, Excise and Customs Duties Advice Line on **0845 010 9000** for advice.

Corporate body definition

Included here are

- limited companies (and overseas equivalent)
- companies set up by Royal Charter, Letters Patent or Acts of Parliament
- Limited Liability Partnerships
- European Economic Interest Groupings
- Friendly, Industrial and Provident Societies.

European Union - the following countries are members:

Austria	Hungary	Slovakia
Belgium	Ireland	Slovenia
Cyprus*	Italy	Spain
Czech Republic	Latvia	Sweden
Denmark	Lithuania	United Kingdom
Estonia	Luxembourg	* Excludes Turkish-controlled Cyprus.
Finland	Malta	
France	Netherlands	
Germany	Poland	
Greece	Portugal	

Exempt supplies are business supplies that do not attract VAT at either standard, reduced or zero rate. They are not part of your taxable turnover for VAT. If you are registered for VAT and make some exempt supplies, you may not be able to claim back all of your **input VAT**.

Exempt supplies continued

Most supplies of goods and services in the UK are **taxable supplies** unless they are specifically excluded by law - these are exempt supplies. Examples include

- some types of selling, leasing and letting land and buildings
- insurance
- betting, gambling and lotteries (but not fruit machine takings)
- providing credit
- certain education and training
- fund raising events by charities
- subscriptions to certain membership organisations
- the services of doctors and dentists
- certain services from undertakers.

Guidance is available on all exemptions in the library section of www.hmrc.gov.uk or by calling our VAT, Excise and Customs Duties Advice Line on **0845 010 9000**.

Input tax is the VAT you pay on the goods and services you buy to use in the course of your business.

Output tax is the VAT you charge on your taxable supplies.

Reduced rate - these are taxable supplies on which the current VAT rate is 5%. Examples include:

- supplies of domestic fuel or power
- installation of energy-saving materials.

This list is not exhaustive and further information regarding reduced-rated supplies can be found in the library section of www.hmrc.gov.uk or by calling our VAT, Excise and Custom Duties Advice Line on **0845 010 9000**.

Glossary continued

Standard rate is the rate of VAT for most goods and services.

Supply is the sale of goods or services including barter.

Supply of goods is when exclusive ownership of goods passes from one person to another.

Supply of services is when someone does something for a consideration - other than supplying goods.

Tax liability - if supplies are neither **zero-rated** nor **exempt**, they must be liable to VAT at the **standard** or **reduced rate**.

Taxable supplies - this is a legal term that many people find confusing. In most cases 'supply' simply means the sale of goods or services including barter. The law defines 'taxable supplies' as any supply made in the UK that is not exempt from VAT. That is, any supply, which is not exempt, is a taxable supply, whether the supplier is VAT registered or not. Taxable supplies include those that are zero-rated. A person is not required to account for VAT on taxable supplies that are made at a time when they are not required to be VAT registered and are not VAT registered voluntarily.

Taxable turnover for VAT is the total value of your supplies that are taxed at either the standard, reduced or zero rate. (The supply of goods and services that are exempt from VAT is not part of your taxable turnover.)

For VAT registration purposes, you need to look at the turnover in the last 12 months or less and/or the next 30 days alone.

See form VAT1, Questions 14, 15 and 19.

Transfer of a going concern - if you have taken over a business as a going concern from someone who was, or was required to be, VAT registered, the law deems you to have carried on the business being transferred prior to the transfer for the purposes of establishing when you should VAT register. The law also requires the person transferring the business to give you the records relating to the business being transferred, unless our permission is given that they can keep them; if this happens you should ask for copies of the relevant records, which you must keep for inspection.

Unincorporated body is an organisation of people or bodies whose members have a common purpose, which has an existence independent of its members. For example, clubs, associations, etc.
See form VAT1, Question 3.

Value Added Tax (VAT) is a tax on consumer expenditure. Registered businesses charge VAT when they supply their goods and services in the UK. (VAT is also charged on goods, and some services that are imported from places outside the European Union (EU) and on goods coming into the UK from another EU member state.)

VAT Group - a VAT group allows two or more corporate bodies to be treated as a single VAT entity. Within the group, there will be a representative member who is responsible for accounting for VAT of the whole group. See VAT Notice 700/2 *Group and divisional registration* for more details.

Zero-rated supplies - applies to supplies such as food, books, newspapers and young children's clothing. This list is not exhaustive and further information regarding zero rates can be found in the library section of www.hmrc.gov.uk or by calling our VAT, Excise and Customs Duties Advice Line on **0845 010 9000**.