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TRUST CAN ONLY BE EARNED

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UK VAT Registration Introduction

A VAT number, also called a VAT Registration Number (VRN), is a unique 9-digit identifier issued by HM Revenue & Customs (HMRC) to businesses registered for VAT in the United Kingdom. This number is distinct from other identifiers like a Company Registration Number (CRN) or Unique Taxpayer Reference (UTR) and is specifically tied to VAT activities.

A VAT number allows businesses to:

1. Charge VAT on taxable goods and services to customers;
2. Reclaim VAT paid on purchases and business expenses;
3. Verify legitimacy of trading partners for cross-border transactions;
4. Meet legal obligations for VAT compliance, including record keeping and submitting VAT returns.

Displaying a VAT number on invoices is mandatory and facilitates correct VAT accounting, ensuring transparency in business transactions.

From 1 January 2021, the threshold for registering VAT is £90,000. It is based on a 12-month rolling period so not just for the fiscal year 6th April to 5th April (the UK tax year). If it is likely that your sales of goods/services that would be applicable to UK VAT exceed £90,000 in a 12-month period looking back and forward, then you must register for UK VAT.

However, companies can choose to voluntarily register as VAT taxpayers even if their annual turnover is less than £90,000. Registering as a VAT taxpayer may bring two benefits to the Company. The first is to increase your company's cash flow, and the second is to enhance customer confidence in the company because not registering for VAT means that your UK company is very small.

The fees stated in the quotation are for preliminary reference only and do not constitute final transaction terms. All service fees shall be based on the actual quotation provided by our company for each individual case. We reserve the right to adjust pricing at any time without prior notice.

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1. Service Fee for UK VAT Registration

Our fee for handling the application for VAT number of a UK Limited company is GBP500. In particular, our fees include the following services:

(1) Answer clients' questions regarding UK VAT registration;
(2) Assist in filling out the registration form and relevant documents; and
(3) Follow up immediately if HMRC needs more information.

Note:
(1) Our fee quoted above does not cover courier charge (if any);
(2) Our fee quoted above does not cover any Economic Operator Registration and Identification (EORI) number registration, which may be required upon request.

2. Time Frame for VAT Registration

Under normal circumstances, the whole process for applying of VAT in UK takes around 3 to 4 months, to complete unless an investigation or further information is required by HM Revenue and Customs (HMRC).

3. Payment Term and Methods

Upon receipt of your confirmation of engagement, we will issue an invoice and email it together with the detailed wire instructions to you for your settlement. When you are initiating a transfer/wire, please mark our invoice or account number in the message section of the remittance receipt and email a copy of the same to us for our records. Because of the nature of services, we require full payment in advance. In addition, once service is commenced, no service fees will be refunded.

We currently only accept check, cash or TT and credit card payment through PayPal. If invoice is settled by PayPal, an extra 5% service fee will be charged.

4. Materials for the VAT Application

In order to application of VAT number in UK, client will need to deliver to us the following materials:

(1) Copies of Certificate of Incorporation, Articles of Association, registers of director and members and Confirmation statement (or any documents equivalent to an annual return) of the company;

(2) Companies House Authentication Code from Companies House;

(3) Unique Taxpayer Reference Number (UTR) from HM Revenue and Customs (HMRC);

(4) If the Company are EORI registered, please provide us the EORI number and effective date of registration;

(5) Description of the business activities;

(6) Standard Industrial Classification (SIC) code if known;

(7) Date the company's business crossed the VAT threshold (currently £90,000 rolling 12 months);

(8) Estimated taxable turnover for the next 12 months to demonstrate whether registration is mandatory or voluntary;

(9) Recent 1 year of two sets of Business Supporting Documents from the related or parent company (including invoices, contracts, agreements and delivery notes that correspond to transactions in your provided bank statements) on the **buyer** side;

(10) Recent six months of two sets of Business Supporting Documents from the related or parent company (including invoices, contracts, agreements and bill of lading that correspond to transactions in your bank statements provided) on the **supplier** side;

(11) Company website (if any);

(12) A copy of the lease agreement (If you do not have a physical office address in UK, please provide a lease agreement for your actual business address instead. A registered address provided by the secretary is not applicable.);

(13) Business bank account details including sort code, account number, and the name on the account (virtual bank account is acceptable);

(14) Preferred VAT accounting scheme: March/June/September/December, or other.

(15) Company UK phone number (if any);

(16) Mobile phone number and email address of the company's authorized signatories;

(17) The National Insurance number of each director of the company (if any);

(18) Each director shall provide three of the following identity documents:

(a) Passport;

(b) Driver's license;

(c) UK Self-Assessment;

(d) UK work permit or Visa;

(e) Any correspondence from the Department for Work and Pensions confirming entitlement to benefits); or
(f) Recent utility bill within 2 months or personally lease or rental agreement.

Acceptable address proof can be a utility bill or bank statement. Information of director/shareholder (full name and full address), document type, document issuing date and name of issuing authority must be clearly stated. If the document is not written in English, you are required to provide an English translation document for reference and as supporting.

The identification documents and address proof of shareholders and directors are subject to Hague Apostille certification or notary office verification.

5. VAT Return Filing and Compliance

By default, all VAT registered businesses are required to file their Vat return and make payment of VAT quarterly. However, business may request and if approved, file their Vat return on a monthly or yearly basis.

VAT return and payment deadline is one calendar month and seven days after the end of the VAT period. For example, for the quarter ending 31 June 2020, your return must be submitted and payment cleared in HMRC's account by 7 August 2020. It shall be noted that the payment of VAT should be cleared by the reporting deadline. If using our services to file your VAT return, you must also entrust us with the accounting service.

For a more detailed description of the compliance requirements and the related costs, please refer to our article titled **"UK Company Annual Compliance and Maintenance Guideline Note"** or please contact and consult our professional accountants.

If you wish to obtain more information or assistance, please visit our official website at www.kaizencpa.com or reach out to us through the following methods:
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