



You may need to register for VAT

Businesses must register for VAT if, at any time, their taxable turnover is over £90,000 in the previous 12 months.

Taxable turnover is the total value of everything you sell that isn't 'VAT exempt' or 'out of scope'. For more information about this, go to GOV.UK and search 'How VAT works'.

Our records show that in your [\[source from data file\]](#), you declared a turnover of [\[value from data file\]](#). This is over the VAT registration threshold. However, if your turnover was over the VAT threshold due to an extended accounting period, please ignore this letter.

What you need to do to register for VAT

It's easy to do this online.

- 1 Go to GOV.UK and search 'Register for VAT' and choose 'When to register for VAT'.
- 2 Choose 'How to register for VAT' and follow the instructions.
- 3 You'll be asked about your expected earnings. Please be as accurate as you can – you can use your turnover figure for the last 12 months if it's realistic.

Once you've registered, we'll send you a VAT registration certificate. It will confirm your effective date of registration.

You'll have to pay VAT on any sales since the date you should have registered. You may also have to pay a penalty, and late payment interest.

If you don't register when you need to

If you should have registered for VAT already and choose not to register after receiving this letter, we'll treat this as deliberate and you'll be charged higher penalties. You have two choices:

- 1 Register now and pay what you owe – you'll significantly reduce or potentially avoid penalty charges.
- 2 Ignore this letter and face an additional penalty of up to 100% of what you already owe.

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We're doing compliance checks on businesses like yours and will monitor your response to this letter.

If you don't think you need to register

To check if any exemptions apply to your business, go to GOV.UK, search 'Register for VAT', and choose 'When to register for VAT'.

Extra support

If you have any health or personal circumstances that may make it difficult for you to deal with us, please tell us. We'll help you in whatever way we can. For more information about this, go to GOV.UK and search 'get help from HMRC if you need extra support'.

More information

Go to GOV.UK and search:

- 'How VAT works' - to learn more about taxable turnover and what is 'VAT exempt' or 'out of scope'
- 'Check what registering for VAT may mean for your business'- For our VAT registration estimator tool
- 'VAT Notice 700/21' - to find out what VAT records you must keep and how to keep them.

If you have a tax adviser, you may want to show them this letter.