

Once registered for VAT, what are my responsibilities?

Once registered for VAT, there will be a number of additional responsibilities that the business needs to be compliant with, including the following:

You must charge VAT on all invoices from the date of registration to your customers (ignoring non-UK and other specific issues).

You must always reflect your VAT registration number on all invoices (in order to be able to include VAT on that invoice).

You have the responsibility for ensuring that you are charging the right amount of VAT on each sales invoice.

You must prepare and submit VAT returns to HMRC on a quarterly basis.

You must pay any VAT due to HMRC within the required payment deadlines.

You are required to keep adequate VAT records and a VAT account e.g. copies of sales invoice, supplier invoices, receipts and bank statements.

Key reasons why a business might register for VAT before they are required to register:

If the amounts of VAT being incurred on business costs are high anyway, then it may be financially beneficial to register and be able to reclaim this VAT e.g. investment in a website or online platform, significant amount(s) of marketing spend in the early stages of business etc.

From a marketing perspective, **being VAT-registered may be an important consideration to customers** and potential business partners e.g. it makes you look larger (non-VAT registered businesses are below turnover of £85,000).

Where the majority of your customers are already VAT registered then whether you charge VAT or not on your goods or services to them may not be a concern (and you can reclaim input VAT from Day 1).