

TAX & HMRC INTERMEDIATE 12 min

How to register for VAT

A practical walkthrough of the VAT registration process, including what to prepare, which dates matter, and what to do while waiting for your VAT number.

If your taxable turnover has crossed the £90,000 VAT threshold, or you have decided to register voluntarily, the next step is the actual registration with HMRC.

The online form is manageable, but timing and date questions catch people out. This guide covers what to prepare before you start, how the registration works, which extra forms may apply, and what happens between submitting the application and receiving your VAT number.

9 STEPS

01 Confirm who is registering

VAT registration is by person, not by trade name. A person can be an individual sole trader, a limited company, an LLP, or a partnership.

If one limited company runs two unrelated trades, both normally sit under one VAT registration. If you trade as a sole trader and also own a separate limited company, those are two different persons and may need separate VAT registrations if both meet the rules.

For most small businesses, the practical rule is one legal person, one VAT number.

02 Prepare the information before you log in

Before starting the application, gather your Government Gateway login, business contact details, trading address, UK bank account details, expected taxable turnover for the next 12 months, and the effective date you want registration to start.

Limited companies also need the company registration number, Corporation Tax UTR, and directors' personal details, including National Insurance numbers. Sole traders need their Self Assessment UTR, National Insurance number, and an identity document such as a passport or driving licence.

Create your Government Gateway account a few days early if you do not already have one.

03 Register online through HMRC

Most VAT registrations are completed online through HMRC's VAT Registration Service. Paper VAT1 forms are now limited to narrow circumstances, such as VAT group registrations or divisional registrations.

The online service asks for the legal status of the registering person, the reason for registration, the date your liability arose if registration is compulsory, and your requested effective date of registration. You can usually attach supporting documents up to a total of 5MB.

Keep the online acknowledgement and reference number. It proves the legal date and time of your application.

04 Use the right supplementary forms if needed

Most sole traders and limited companies only need the main VAT registration application. Some cases need extra forms.

VAT2 is used for partnerships. VAT5L covers land and property activities. VAT50/51 is used for VAT group registration. VAT68 is used where a buyer wants to take over a seller's existing VAT number on a transfer of a going concern. VAT1614A is the option to tax election, commonly relevant for commercial property.

Property, group registration and business acquisition cases are worth checking before you submit anything.

05 Make the liability date and effective date consistent

HMRC often queries applications where the dates contradict each other. If your rolling 12-month taxable turnover exceeded the threshold on 31 December 2025, you normally have to notify HMRC by 30 January 2026 and your compulsory effective date is 1 February 2026.

You may be able to choose an earlier effective date, for example to recover input VAT on earlier costs, but you cannot choose a later date than the compulsory one.

Do not use a later date to try to avoid charging VAT for a period when registration is legally required.

06 Handle the gap before your VAT number arrives

You must account for VAT from your effective date of registration, even if HMRC has not yet issued your VAT number. Online applications often take two to four weeks, while complex cases can take longer.

The practical issue is that you cannot show VAT as a separate line on an invoice until you have the number. The usual approach is to increase the gross price by the VAT amount and then issue a corrected VAT invoice once the number arrives.

The obligation starts from the effective date, not from the date HMRC sends the VAT number.

07 Update invoices and records once registered

Once the VAT number arrives, issue corrected VAT invoices for supplies made between the effective date and the date the number arrived. Add the VAT number to future invoices, your website if you take orders online, and relevant commercial documents.

You may also be able to reclaim pre-registration input VAT. The normal rules allow recovery on goods bought up to four years before registration if still on hand, and services received up to six months before registration, provided they relate to taxable supplies.

Your first VAT return starts from the effective date of registration, not the day the number arrives.

08 Keep HMRC updated after registration

VAT registration creates ongoing responsibilities. If material details change, such as your business address, bank details, legal structure, or the nature of your supplies, you normally need to notify HMRC within 30 days.

If you later cease to be entitled or required to be registered, for example because turnover falls permanently below the £88,000 deregistration threshold and you choose to deregister, you must apply to deregister.

Out-of-date VAT registration details can cause return problems and create compliance risk.

09 Get help before applying if the facts are complex

Many founders can complete a straightforward VAT registration themselves. It is worth getting advice first if property, VAT group registration, a transfer of a going concern, non-UK establishment, or voluntary registration modelling is involved.

Those areas can affect cash flow, input VAT recovery, compliance history, and long-term VAT treatment, so it is better to resolve them before submitting the form.

If the registration is not routine, check the position before the application locks in the wrong facts.

KEY TAKEAWAYS

VAT registration is not just an HMRC form. The important points are choosing the correct effective date, dealing properly with the period before the VAT number arrives, and making sure your invoicing and software are ready from day one.

If your situation involves property, a business acquisition, a corporate group, overseas issues, or voluntary registration, get advice before you submit the application.