
Overview

This standard is for entrepreneurs who need to complete VAT registration and submit returns for their business. You must register your business for VAT with Her Majesty's Revenue and Customs (HMRC) if its VAT taxable turnover is more than specified threshold. You can also consider voluntarily registering for VAT. You will be paying VAT to HMRC from the effective date of registration. You will need to ensure that you charge the right amount of VAT, pay any VAT due to HMRC, submit VAT Returns, keep VAT records and a VAT account. Also, you must follow the rules for 'Making Tax Digital for VAT' by submitting some records digitally. Completing VAT registrations and submitting returns involves identifying if your business should be registered for VAT, preparing a VAT return and asking for professional help when you need it.

You might need to do this if you are:

1.
starting a new business;
2.
preparing a VAT return.

Performance criteria

You must be able to:

1. check whether you need to be VAT registered
2. decide whether you would like to register for VAT voluntarily to benefit your business
3. register immediately if you expect the value of everything you sell in the next 30 days to be over the specified threshold
4. provide your turnover, business activity and bank details for VAT registration
5. register for VAT online or by post by completing all relevant forms
6. create a VAT account to submit your VAT Returns
7. ensure your VAT certificate is received and use the VAT number on relevant documents
8. comply with the relevant tax rules and ensure all mandatory files are kept in digital format
9. use the compatible software for maintaining your records digitally
10. choose the scheme for accounting for VAT that best suits your business
11. ensure your invoices include the right rate and amount of VAT and your VAT number
12. identify what information you will need to fill in a VAT return
13. make sure that VAT submissions are made in accordance with current legislation
14. identify the products or services you have bought and sold and the VAT that applies to them
15. submit your VAT returns digitally, using data from appropriate recording systems
16. seek guidance from the VAT Office when required in a professional manner
17. obtain independent, specialist assistance and advice when you need to
18. allow enough time to fill in your VAT return and send it in within the statutory time limit

Knowledge and understanding

You need to know and understand:

VAT registration and accounting

1. how to register for VAT
2. the voluntary VAT registration and how your business could benefit from it
3. the different schemes you can use for accounting for VAT
4. when your VAT return is due and how long it is likely to take you to fill in

Records of VAT

5. the information you need to fill in a VAT return (for example, accounts including details of invoices and sales)
6. how to record accounting information (for example, computerised ledgers, manual control account and cash book, VAT receipts and invoices)
7. how specialist software can help you keep your accounts
8. your business name, address, company and VAT registration numbers
9. the VAT accounting schemes you use
10. the VAT that your customers need to pay on goods and services you supply, sell, lease, transfer or hire out
11. the VAT that you pay on goods and services you receive, buy, lease, rent or hire
12. the adjustments you can make to VAT return
13. the 'time of supply' and 'value of supply' (value excluding VAT) for everything you buy and sell
14. the rate of VAT charged on goods and services your business buys and supplies
15. the reverse charge transactions - where you record the VAT on both the sale price and the purchase price of goods and services you buy

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16. your total daily gross takings if you use a retail scheme
 17. the items you can reclaim VAT on if you use the Flat Rate Scheme
 18. your total sales, and the VAT on those sales, if you trade in gold and use the Gold Accounting Scheme

Current legislation

19. where to find out the current rules and regulations about VAT and filling in a VAT return
20. the types of VAT that apply to the products or services you have bought and sold, such as standard supplies, exempt supplies, zero-rated supplies, imports and exports

Getting help and specialist advice

21. how to follow guidance about filling in your VAT return and how to get more information
22. how to find financial assistance and advice, when required

Developed by	Skills CFA
Version Number	1
Date Approved	14 Jan 2022
Indicative Review Date	01 Mar 2027
Validity	Current
Status	Original
Originating Organisation	Instructus
Original URN	CFAMN11
Relevant Occupations	Business, Administration and Law, Managers and Senior Officials
Suite	Business Enterprise
Keywords	success, business, idea, social, enterprise, customers, products, service, support, creative, idea, skills, needs, suppliers, cash, flow, legislation, marketing, market, trends, competitors, health and safety, VAT, equipment, costs, profit, staff, product
