ROUTE MAP NO. 001 · UK · VAT

When must I register for VAT?

10 stops | Rules checked 3 November 2026 | Approved by Clive Angel, 30 years in finance

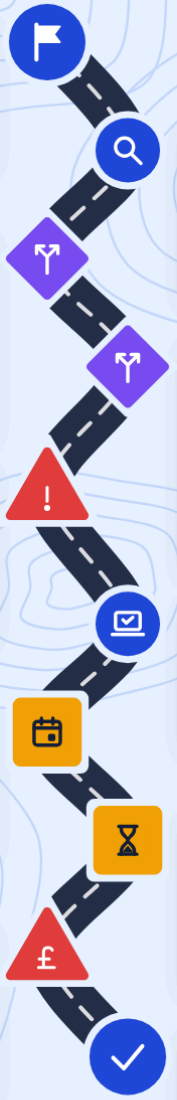
Zero2CFO

ROUTE MAP No. 001
VAT

When must I register for VAT?

Run the two threshold tests every month, register on time and know what you owe from day one.

10 stops | Rules checked 3 Nov 2026 | Sources: GOV.UK



01 Check at every month end

Add up your taxable turnover for the last 12 months. It is a rolling total, not your tax year.

Source 2

02 Count the right sales

Taxable turnover includes zero-rated sales. Exempt sales and sales of business assets do not count.

Source 2

03 Test 1: the last 12 months

Has your rolling total gone over £90,000?

Yes Register within 30 days of that month end.

No Go on to test 2.

Source 1

04 Test 2: the next 30 days

Do you expect sales in the next 30 days alone to go over £90,000?

Yes Register by the end of those 30 days.

No Not yet. Check again next month.

Source 1

05 Only over for a short time?

If you went over the threshold temporarily, you can apply for an exception. You apply by post on form VAT1.

Sources 1, 3

06 Register online

Most businesses register online with HMRC. An accountant can also deal with HMRC for you.

Source 3

07 Know your effective date

Test 1: the first day of the second month after you went over. Test 2: the date you realised.

Source 1

08 Waiting for your number

You cannot show VAT on invoices yet, but you owe it from your effective date. Price with that in mind.

Source 3

09 The cost of registering late

You owe VAT from the date you should have registered, even if you never charged it, and may pay a penalty.

Sources 1, 2

10 VAT number in hand

Show your 9-digit VAT number on every invoice and sign up for your VAT online account.

Source 3

KEY

Start here | Check this | Decide | Online service | Deadline | Wait | Cost of getting it wrong | Watch out | Done

SOURCES checked 3 Nov 2026

1. GOV.UK: Register for VAT: when to register
2. GOV.UK: VAT Notice 700/1: who should register for VAT
3. GOV.UK: Register for VAT: how to register

General information, not personal advice. Check the source before you act.

You must register for VAT if your taxable turnover for the last 12 months goes over £90,000, or if you expect your taxable turnover in the next 30 days alone to go over £90,000. Run both tests at the end of every month. If your turnover is below £90,000, you can still choose to register voluntarily.

The route, stop by stop

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How the two tests work

The first test looks back. At each month end, add up your taxable turnover for the previous 12 months. If it is over £90,000, you must register within 30 days of the end of that month.

The second test looks forward. If you expect sales in the next 30 days on their own to go over £90,000, for example because you have won a large contract, you must register by the end of that 30 day period.

What counts as taxable turnover

Taxable turnover is the total of your sales that are not exempt from VAT, including zero-rated sales. Exempt sales and sales of business assets are left out.

Common questions

Is the VAT threshold based on my tax year?

No. It is a rolling 12 month total that you check at the end of every month.

What happens if I register late?

HMRC registers you from the date you should have been registered. You owe VAT on sales from that date, even if you did not charge it to customers, and you may have to pay a penalty.

Can I charge VAT before I get my VAT number?

No. You cannot show VAT on invoices until you have your number, but you still owe VAT from your effective date of registration.

Where the rules come from

1. GOV.UK: Register for VAT: when to register checked 3 November 2026
2. GOV.UK: VAT Notice 700/1: who should register for VAT checked 3 November 2026
3. GOV.UK: Register for VAT: how to register checked 3 November 2026

This map is general information, not personal advice. Rules and rates change, so check the sources before you act. If your situation is tricky, talk to your accountant.

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