
Overview

All businesses need to regularly check whether they need to register for VAT. You can also consider voluntarily registering for VAT. If you are registered you will need to complete a VAT return. This is a legal obligation for registered businesses and they can incur fines if they do not complete their VAT return in a timely manner.

You might need to do this if you are:

1. starting a business
2. preparing a VAT return

Complete VAT returns involves:

1. Deciding if your business should be registered for VAT
2. preparing a VAT return
3. asking for professional help when you need it

CFAMN11

VAT registration and returns

Performance criteria

You must be able to:

- P1 check whether you need to be VAT registered, or whether registering voluntarily would benefit your business, and therefore need to complete a VAT return
- P2 choose the scheme for accounting for VAT that best suits your business
- P3 ensure your invoices include the right rate and amount of VAT and your VAT number
- P4 identify what information you will need to fill in a VAT return
- P5 set up appropriate recording systems for information so that it is available when you need it
- P6 make sure that submissions are made in accordance with current legislation
- P7 identify the products or services you have bought and sold and the VAT that applies to them
- P8 complete and submit your VAT returns correctly, using data from appropriate recording systems
- P9 make sure that guidance is sought from the VAT Office when required in a professional manner
- P10 obtain independent, specialist help and advice when you need to
- P11 allow enough time to fill in your VAT return and send it in within the statutory time limit

CFAMN11

VAT registration and returns

Knowledge and understanding

You need to know and understand:

VAT Registration and Accounting

- K1 whether you need to register for VAT, whether voluntary registration would help your business and how to do it
- K2 the different schemes you can use for accounting for VAT
- K3 when your VAT return is due and how long it is likely to take you to fill in

Records for VAT

- K4 the information you need to fill in a VAT return (for example, accounts including details of invoices and sales)
- K5 how to record accounting information (for example, computerised ledgers, manual control account and cash book, VAT receipts and invoices)
- K6 how specialist software can help you keep your accounts

Current Legislation

- K7 where to find out the current rules and regulations about VAT and filling in a VAT return (for example, HM Customs and Excise guides or website)
- K8 the types of VAT that apply to the products or services you have bought and sold (for example, standard supplies, exempt supplies, zero-rated supplies, imports and exports)

Getting specialist advice

- K9 how to follow guidance about filling in your VAT return and how to get more information
- K10 how to find a recognised and reliable specialist when required

CFAMN11

VAT registration and returns

Additional Information

Links to other NOS

1. MN1 Decide on the financial needs of your business
2. MN3 Keep financial records for your business
3. MN4 Manage cash flow in your business
4. LG2 Keep up to date with current legislation affecting your business
5. OP3 Recruit people for your business
6. OP9 Set up a stakeholder pension scheme

CFAMN11

VAT registration and returns

Developed by	CFA Business Skills @ Work
Version number	1
Date approved	May 2008
Indicative review date	May 2010
Validity	Current
Status	Original
Originating organisation	Sfedi
Original URN	MN11
Relevant occupations	Business, Administration and Law; Managers and Senior Officials
Suite	Business Enterprise
Key words	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