

# VAT Key Data



## VAT Registration and Deregistration Thresholds

Some of the key facts and figures about VAT and related systems such as Intrastat and EC Sales Lists are listed below. Only a summary is given and you should always seek detailed professional advice on your specific circumstances.

## VAT Rates

### VAT Registration and Deregistration Thresholds

VAT Registration	£70,000
Distance Selling	£70,000
Relevant Acquisitions	£70,000
VAT Deregistration	£68,000

## VAT Return Filing Periods

## VAT Return Filing and Payment Deadlines

### VAT Rates

Standard Rate	17.5% (20% with effect from 4/1/11)
Reduced Rate	5%
Super Reduced Rate	0%
Farmers Flat Rate Addition	4%

## Filing Periods and Deadlines – other returns

## Penalties

### VAT Return Filing Periods

Small Businesses (Turnover < £1,350,000)	Annual (optional)
Businesses in a net repayment position	Monthly (optional)
Large Businesses (Annual VAT Liability > £2,000,000)	Monthly (optional treatment in lieu of quarterly returns + monthly payments on account)
All other businesses	Quarterly (businesses can choose which quarters to use)

## Pre-Registration Input Tax – Time Limits

## Capital Goods Scheme Items

## VAT Error Disclosure Thresholds

### VAT Return Filing and Payment Deadlines

Paper returns and users of the Payments on Account Scheme.	30 Days from period end
Electronic returns (excluding users of the Payments on Account Scheme)	37 days from period end

## Intrastat

# VAT

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### Filing Periods and Deadlines – other returns

#### 1. EC Sales Lists (Goods) – Filing Periods:

Dispatches < £70,000 per quarter	Calendar quarters
All others	Monthly

#### 2. EC Sales Lists (Services) – Filing Periods:

Normal	Calendar quarters
Optional	Monthly

#### 3. EC Sales Lists – Filing Deadlines:

Paper returns	14 days from period end
Electronic returns	21 days from period end

#### 4. Foreign Business VAT Refunds – Filing Periods:

EU	Max = 1 calendar year Min = 3 months
Non EU	Max = 12 months (1 July to 30 June) Min = 3 months

#### 5. Foreign Business VAT Refunds – Filing Deadlines:

EU	30 September
Non EU	31 December

### Penalties

#### 1. Failing to register on time

Careless	10% - 30% of net VAT due
Deliberate	20% - 70% of net VAT due
Deliberate and concealed	30% - 100% of net VAT due

#### 2. Failing to file and pay VAT on time

1 <sup>st</sup> Default	0%
2 <sup>nd</sup> Default	2% of unpaid amount
3 <sup>rd</sup> Default	5% of unpaid amount
4 <sup>th</sup> Default	10% of unpaid amount
5 <sup>th</sup> Default	15% of unpaid amount

Note: The first default triggers a 12 month default surcharge period and a surcharge of 0%. The second and subsequent defaults extend the default surcharge period by 3 months and the surcharge increases to 2%, 5% and so on.

#### 3. Errors on VAT Returns

Careless	0% - 30% of value of error
Deliberate	20% - 70% of value of error
Deliberate and concealed	30% - 100% of value of error

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## Pre-Registration Input Tax – Time Limits

Goods still on hand at time of registration	VAT is recoverable if incurred in the 4 years prior to VAT registration (backdated VAT registrations may be limited to 3 years).
Services (unless relating to goods consumed pre-registration)	VAT is recoverable if the service was received in the 6 months prior to registration and for the purpose of the business now covered by the VAT registration.

## Capital Goods Scheme Items

Item	Value	Adjustment Period
Computers and single items of computer hardware	£50,000 or more including VAT	5 years
Land and buildings (including civil engineering works, refurbishments and fit outs)	£250,000 or more including VAT	10 years (5 years where the interest acquired has less than 10 years to run).

## VAT Error Disclosure Thresholds

Net Value of Error	Method of Disclosure
< £10,000	VAT Return (see note below)
< £50,000 AND < 1% of Box 6 Value	VAT Return (see note below)
All other amounts	VAT 652 form

Note:  
To achieve the maximum opportunity of minimising penalties taxpayers can include the net value of errors discovered on the current VAT return and may notify this action to HM Revenue & Customs using a VAT 652 form.

## Intrastat

### 1. Thresholds:

Dispatches Exemption Threshold	£250,000
Acquisitions Exemption Threshold	£600,000
Delivery Terms Exemption Threshold	£16,000,000

### 2. Filing Periods:

Dispatches	Monthly
Acquisitions	Monthly

### 3. Deadlines:

Dispatches	30 Days
Acquisitions	30 Days

Specific advice should be obtained before taking action, or refraining from taking action, on any of the subjects covered

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