

Value-added Tax Flash

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UK changes VAT registration thresholds

Global Indirect Taxes

In recently published draft legislation, the UK government announced various changes regarding the thresholds for VAT registration for companies both established and not established in the UK. For companies established in the UK, the VAT registration threshold will be increased from GBP 73,000 to GBP 77,000 and the de-registration threshold from GBP 71,000 to GBP 75,000, effective April 1, 2012.

In addition, the legislation will remove the benefit of the UK VAT registration threshold for non-UK businesses. Businesses established outside of the UK will have to register if they have any taxable turnover, regardless of the value, or believe that they will be making supplies in the next 30 days. Thus, the non-UK business will have to notify HMRC of the liability to register within 30 days of the liability arising. An exemption from the registration requirement may apply if the business only makes zero-rated supplies in the UK.

Businesses currently not registered in the UK because they are under the registration threshold but that carry out taxable supplies, which would make them liable to become VAT registered under the new rules, should consider the impact of these new rules on their UK operations. In addition, currently registered businesses that would like to de-register need to determine whether they meet the new revised requirements.



PwC has a global network of 1,900 indirect tax professionals in 130 countries worldwide, including a dedicated VAT team located in the U.S. who is available to provide real-time VAT advice. This News Alert does not provide a comprehensive or complete statement of the taxation law of the countries concerned. It is intended only to highlight general issues, which may be of interest to our clients. For issues relating to this News Alert, please contact your local Indirect Tax Practice advisor or the specialists listed at the end of this article.

For more information, please do not hesitate to contact your U.S. VAT Team:

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