

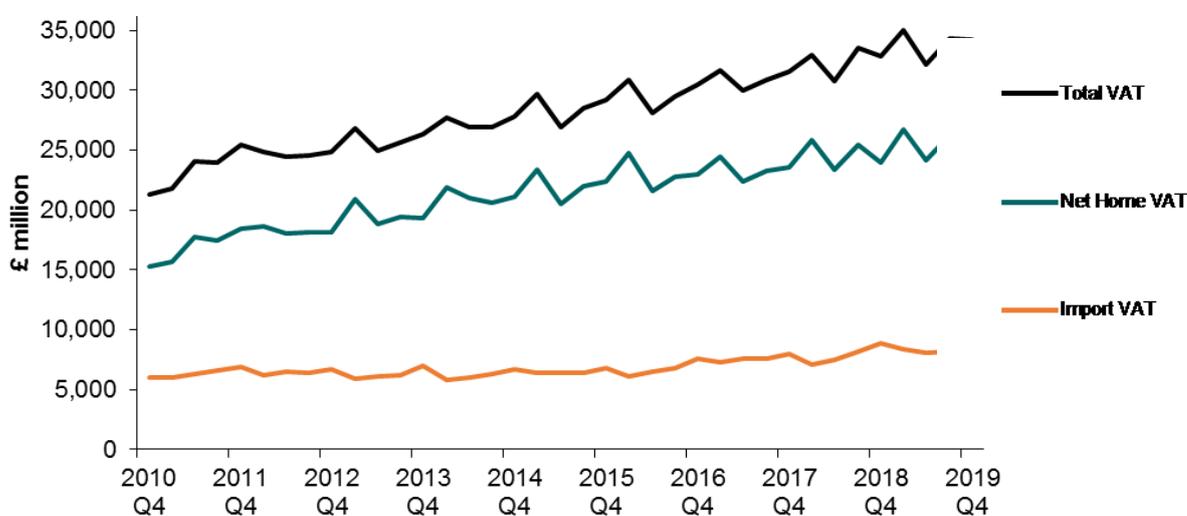


About this release

The Quarterly Value Added Tax (VAT) publication provides information on quarterly VAT receipts, composed of Home VAT and Import VAT. The publication also includes statistics on the VAT trader population, through registrations and de-registrations of traders for the UK.

Chart 1: VAT receipts display seasonal fluctuation but the overall trend continues to increase.

Net Home VAT, Import VAT, and Total VAT receipts from the previous 10 financial years.



Key Headlines



Total VAT receipts from October to December 2019 were £34,231m, 4.1% **higher** than the same quarter last year.



Net Home VAT receipts from October to December 2019 were **£25,457m**, which is £1,467m (6.1%) **higher** than the same quarter last year.



Import VAT receipts from October to December 2019 were **£8,775m**, 1.2% **lower** than the same quarter last year.

Value Added Tax (VAT)

VAT is a tax that is charged on most **goods and services** that VAT-registered businesses provide in the UK.

There are three **rates of VAT**, depending on the goods or services the business provides. The rates are:

- **standard** - 20 per cent
- **reduced** - 5 per cent
- **zero** - 0 per cent

There are also some goods and services that are **exempt** from VAT.

Publication info:

Theme: The economy.
Released: January 2020.
Next release: April 2020.

Contact info: revenuemonitoring@hmrc.gsi.gov.uk

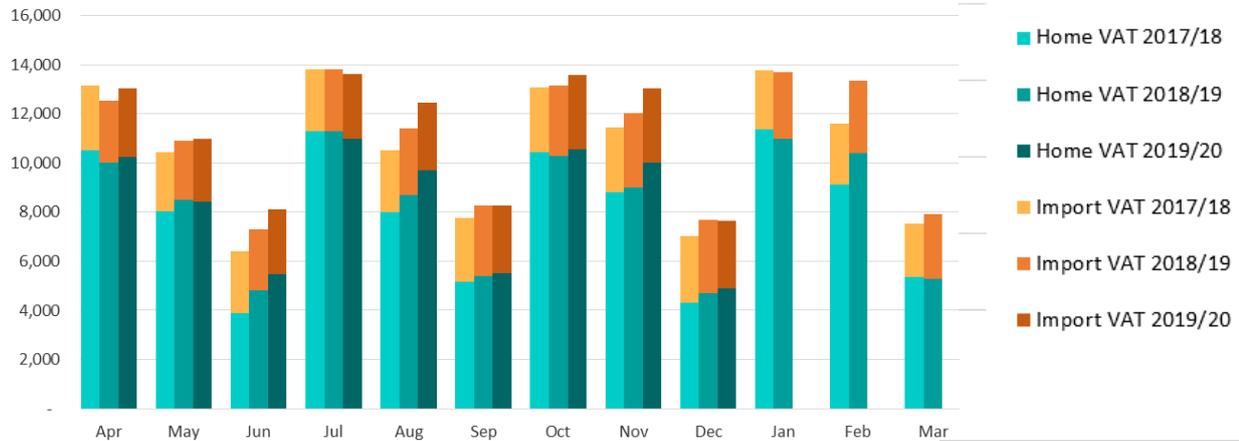
www.gov.uk/government/statistics/value-added-tax-vat-bulletin

Prabhjot Sethi: 03000 586896 Jennifer Mills: 03000 580164 Media: 03000 585024

Home and Import VAT

Chart 2: VAT receipts generally increase year-on-year.

Net Home VAT and Import VAT receipts reported for the latest year (2019-20) and the previous two financial years.



- Home VAT Receipts this quarter were £25,457m, which is an increase of £1,467m from the same quarter of the previous financial year in part due to some large payments.
- Import VAT Receipts decreased by £103m this quarter against the same quarter of the previous year.

Import VAT:

Import VAT is charged on goods that are **imported** from countries outside the European Union (EU). VAT on goods brought into the UK from other EU countries is termed acquisitions VAT and is included in Home VAT.

Chart 3: Both payments and repayments continue to rise from previous years.

VAT Payments and repayments reported for the latest year (2019-20) and the previous two financial years.



Home VAT Payments and Repayments:

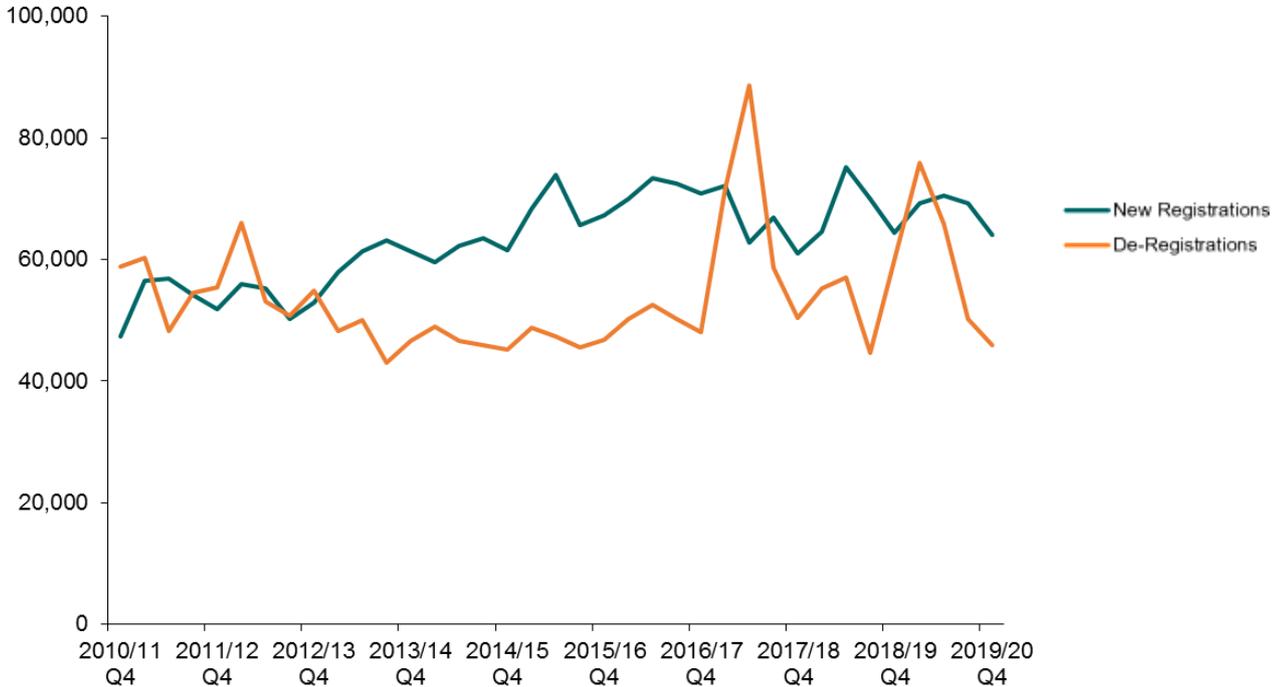
Traders will make payments to HMRC when their net Home VAT liability is **positive** and will receive repayments when their net Home VAT liability is **negative**.

- Home VAT payments and repayments for this quarter were both higher than in the same quarter of the previous two years.
- Home VAT payments increased by £1,531m from the same quarter of the previous financial year.

VAT Trader Population

Chart 4: Registrations have decreased in recent quarters, but still remain above de-registration levels.

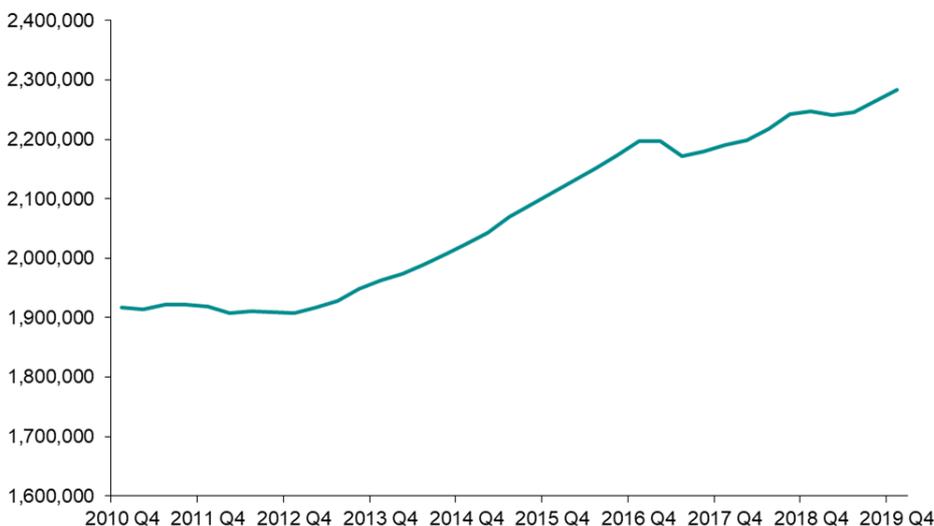
Registrations and de-registrations of VAT traders per quarter, from 2010 to 2019.



- There were 64,000 new registrations and 46,000 de-registrations in the latest quarter.
- There was a significant increase in the number of de-registrations in mid 2017, with a smaller spike in early 2019; in both cases at this point the number of de-registrations exceeded new registrations. We believe this could be explained by trader behaviour associated with changes in relation to the Flat Rate Scheme.
- The number of de-registrations continues to remain below the number of registrations in the latest three quarters, even as new registration figures have decreased in the latest two quarters.

Chart 5: The VAT trader population continues this rise in the latest quarter.

The VAT Live Trader Population per quarter, from 2010, to 2019.



Registered Traders:
 Businesses need to register for VAT when their turnover of VAT taxable goods and services is over the VAT registration threshold; businesses below the **VAT registration threshold** may also choose to voluntarily register. More information on VAT is published in "When to register for UK VAT" on the HMRC website <https://www.gov.uk/vat-registration/when-to-register>.