

Status: Point in time view as at 01/10/2009.

Changes to legislation: There are currently no known outstanding effects for the Value Added Tax Act 1994, Cross Heading: Liability to be registered. (See end of Document for details)

SCHEDULES

SCHEDULE 2

REGISTRATION IN RESPECT OF SUPPLIES FROM OTHER MEMBER STATES

Liability to be registered

- 1 (1) A person who—
 - (a) is not registered under this Act; and
 - (b) is not liable to be registered under Schedule 1,becomes liable to be registered under this Schedule on any day if, in the period beginning with 1st January of the year in which that day falls, that person has made relevant supplies whose value exceeds £70,000.
- (2) A person who is not registered or liable to be registered as mentioned in subparagraph (1)(a) and (b) above becomes liable to be registered under this Schedule where—
 - (a) that person has exercised any option, in accordance with the law of any other member State where he is taxable, for treating relevant supplies made by him as taking place outside that member State;
 - (b) the supplies to which the option relates involve the removal of goods from that member State and, apart from the exercise of the option, would be treated, in accordance with the law of that member State, as taking place in that member State; and
 - (c) that person makes a relevant supply at a time when the option is in force in relation to him.
- (3) A person who is not registered or liable to be registered as mentioned in subparagraph (1)(a) and (b) above becomes liable to be registered under this Schedule if he makes a supply in relation to which the following conditions are satisfied, that is to say—
 - (a) it is a supply of goods subject to a duty of excise;
 - (b) it involves the removal of the goods to the United Kingdom by or under the directions of the person making the supply;
 - (c) it is a transaction in pursuance of which the goods are acquired in the United Kingdom from another member State by a person who is not a taxable person;
 - (d) it is made on or after 1st January 1993 and in the course or furtherance of a business carried on by the supplier; and
 - (e) it is not anything which is treated as a supply for the purposes of this Act by virtue only of paragraph 5(1) or 6 of Schedule 4.
- (4) A person shall be treated as having become liable to be registered under this Schedule at any time when he would have become so liable under the preceding provisions of this paragraph but for any registration which is subsequently cancelled

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under paragraph 6(2) below, paragraph 13(3) of Schedule 1 [^{F1}, paragraph 6(3) of Schedule 3 or paragraph 6(2) of Schedule 3A].

- (5) A person shall not cease to be liable to be registered under this Schedule except in accordance with paragraph 2 below.
- (6) In determining for the purposes of this paragraph the value of any relevant supplies, so much of the consideration for any supply as represents any liability of the supplier, under the law of another member State, for VAT on that supply shall be disregarded.
- [^{F2}(7) For the purposes of sub-paragraphs (1) and (2) above supplies to which section 18B(4) (last acquisition or supply of goods before removal from fiscal warehousing) applies shall be disregarded.]

Textual Amendments

- F1** Words in Sch. 2 para. 1(4) substituted (28.7.2000 with effect as mentioned in s. 136(10) of the amending Act) by 2000 c. 17, s. 136(6)(b)
- F2** Sch. 2 para. 1(7) added (1.6.1996 with application to any acquisition of goods from another member State and any supply taking place on or after that day) by 1996 c. 8, ss. 25, 26, Sch. 3 para. 14; S.I. 1996/1249, art. 2

- 2 (1) Subject to sub-paragraph (2) below, a person who has become liable to be registered under this Schedule shall cease to be so liable if at any time—
- (a) the relevant supplies made by him in the year ending with 31st December last before that time did not have a value exceeding £70,000 and did not include any supply in relation to which the conditions mentioned in paragraph 1(3) above were satisfied; and
 - (b) the Commissioners are satisfied that the value of his relevant supplies in the year immediately following that year will not exceed £70,000 and that those supplies will not include a supply in relation to which those conditions are satisfied.
- (2) A person shall not cease to be liable to be registered under this Schedule at any time when such an option as is mentioned in paragraph 1(2) above is in force in relation to him.

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