

*Status: Point in time view as at 10/06/2021.*

*Changes to legislation: There are currently no known outstanding effects for the Value Added Tax Act 1994, PART 6. (See end of Document for details)*

## SCHEDULES

### [<sup>F1</sup>SCHEDULE 9ZE

#### DISTANCE SELLING OF GOODS IMPORTED TO NORTHERN IRELAND: SPECIAL ACCOUNTING SCHEME

##### Textual Amendments

- F1** Schs. 9ZD-9ZF inserted (10.6.2021 for specified purposes, 1.7.2021 for specified purposes, 1.3.2024 for specified purposes) by [Finance Act 2021 \(c. 26\)](#), s. 95(6)(a), [Sch. 18 para. 6](#); [S.I. 2021/770](#), regs. 3, 4 (with regs. 5-7); [S.I. 2024/130](#), regs. 3, 4

### PART 6

#### SUPPLEMENTARY PROVISION

##### *Registration under this Act*

- 34 (1) Notwithstanding any provision in this Act to the contrary (apart from paragraph 1(1A) of Schedule 1 as it has effect in accordance with paragraph 7 of Schedule 9ZF), a participant in a special scheme is not required to be registered under this Act by virtue of making qualifying supplies of goods.
- (2) Where a participant in a special scheme (“the scheme participant”) makes relevant supplies, it is to be assumed for all purposes of this Act relating to the determination of—
- (a) whether or not VAT is chargeable under this Act on those supplies,
  - (b) how much VAT is chargeable under this Act on those supplies, and
  - (c) any other matter that the Commissioners may specify by regulations,
- that the scheme participant is registered under this Act.
- (3) Supplies of scheme services made by the scheme participant are “relevant supplies” if—
- (a) the value of the supplies must be accounted for in a special scheme return, and
  - (b) the supplies are treated as made in the United Kingdom.
- (4) References in this Schedule to a person being registered under this Act do not include a reference to that person being registered under the IOSS scheme.

##### *De-registration*

- 35 Where a person (“P”) who is registered under Schedule 1 or 1A solely by virtue of the fact that P makes or intends to make qualifying supplies of goods satisfies the Commissioners that P intends to apply for—

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- (a) registration under this Schedule, or
  - (b) identification under any provision of the law of a member State which implements Section 4 of Chapter 6 of Title XII of the VAT Directive,
- the Commissioners may, if P so requests, cancel P's registration under Schedule 1 or, as the case may be, 1A with effect from the day on which the request is made or from such later date as may be agreed between P and the Commissioners.

*Scheme participants who are also registered under this Act*

- 36 (1) A person who—
- (a) is a participant in a special scheme, and
  - (b) is also registered, or required to be registered, under this Act,
- is not required to discharge any obligation placed on the person as a taxable person, so far as the obligation relates to relevant supplies unless the obligation is an input tax obligation.
- (2) The reference in sub-paragraph (1) to an obligation placed on the person as a taxable person is to an obligation—
- (a) to which the person is subject under or by virtue of this Act, and
  - (b) to which the person would not be subject if the person were neither registered nor required to be registered under this Act.
- (3) A supply made by a participant in a special scheme is a “relevant supply” if—
- (a) the value of the supply must be accounted for in a return required to be made by the participant under the special scheme, and
  - (b) the supply is treated as made in the United Kingdom.
- (4) In section 25(2) (deduction of input tax from output tax by a taxable person) the reference to output tax that is due from the taxable person does not include any VAT that the taxable person is liable under a special scheme to pay to the tax authorities for the administering member State.
- (5) In this paragraph, “input tax obligation” means an obligation imposed on a taxable person relating to a claim to deduct under section 25(2) or to the payment of a VAT credit.

*No import VAT chargeable on qualifying supplies of goods*

- 37 No charge to VAT occurs on the importation of goods into the United Kingdom as a result of their entry into Northern Ireland, or their removal to Northern Ireland from Great Britain, where—
- (a) that importation is in the course of a supply of those goods which is a qualifying supply of goods, and
  - (b) the person making the supply is registered under the IOSS scheme.

*Time and place of supply of goods*

- 38 (1) Sub-paragraphs (3) and (4) apply (instead of sections 6 and 7) for the purposes of determining when and where a supply of goods within sub-paragraph (2) takes place.
- (2) A supply of goods is within this sub-paragraph where—
- (a) the supply of those goods is a qualifying supply of goods,

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- (b) the supply is not facilitated by an online marketplace,
  - (c) the person making the supply is registered under the IOSS scheme, and
  - (d) the goods are supplied to a person in Northern Ireland or a member State.
- (3) The supply of goods is to be treated as taking place at the time when payment for the goods has been accepted, within the meaning of Article 61b of the Implementing Regulation.
- (4) The goods are to be treated as supplied—
- (a) in the case of goods supplied to a person in Northern Ireland, in the United Kingdom;
  - (b) in the case of goods supplied to a person in a member State, in that member State.

*Place of supply of goods: supplies facilitated by online marketplaces*

- 39 (1) Sub-paragraph (2) applies (instead of section 6) to a supply of goods deemed to have taken place by section 5B(2)(a) or (b) as it has effect in accordance with paragraph 1B of Schedule 9ZC.
- (2) The supply of goods is to be treated as taking place at the time when payment for the goods has been accepted within the meaning of Article 41a of the Implementing Regulation.
- (3) Sub-paragraph (4) applies (instead of section 7) to a supply of goods deemed to have taken place by section 5B(2)(a) where the operator of the online marketplace that facilitated the supply of goods from P to R (within the meaning of that section) is registered under the IOSS scheme.
- (4) The supply of goods is to be treated as taking place outside the United Kingdom.
- (5) Sub-paragraph (6) applies (instead of section 7) to a supply of goods deemed to have taken place by section 5B(2)(b) where the operator of the online marketplace that facilitated the supply of goods from P to R (within the meaning of that section) is registered under the IOSS scheme.
- (6) The supply of goods is to be treated as taking place in the United Kingdom.

*VAT representatives*

- 40 Section 48(1ZA) (VAT representatives) does not permit the Commissioners to direct a participant in a special scheme to appoint a VAT representative.

*Refund of UK VAT*

- 41 (1) Part 21 of the Value Added Tax Regulations 1995 (S.I. 1995/2518) has effect in relation to a person registered under the IOSS scheme as it applies to a trader (within the meaning of those Regulations) subject to the following modifications.
- (2) Regulation 186 (repayments of VAT) has effect as if after “imported by him into the United Kingdom” there were inserted “by virtue of their entry into Northern Ireland”.
- (3) That Part has effect as if regulations 187, 188(1) and 188(2)(b) were omitted (VAT representatives and persons to whom Part 21 applies).]

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