
STATUTORY INSTRUMENTS

1995 No. 2518

The Value Added Tax Regulations 1995

PART I
PRELIMINARY

Citation and commencement

1. These Regulations may be cited as the Value Added Tax Regulations 1995 and shall come into force on 20th October 1995.

Commencement Information

II Reg. 1 in force at 20.10.1995, see [reg. 1](#)

Interpretation—general

2. —

(1) In these Regulations unless the context otherwise requires—

“the Act” means the Value Added Tax Act 1994 and any reference to a Schedule to the Act includes a reference to a Schedule as amended from time to time by Order of the Treasury;

[^{F1}“alphabetical code” means the alphabetical prefix as set out below which shall be used to identify the member State —

Austria — AT

Belgium — BE

[^{F2}Bulgaria — BG]

Cyprus — CY

Czech Republic — CZ

Denmark — DK

Estonia — EE

Finland — FI

France — FR

Germany — DE

Greece — EL

Hungary — HU

Ireland — IE

Italy — IT

Latvia — LV

Status: Point in time view as at 01/01/2011.

Changes to legislation: There are currently no known outstanding effects for the The Value Added Tax Regulations 1995. (See end of Document for details)

Lithuania — LT
 Luxembourg — LU
 Malta — MT
 Netherlands — NL
 Poland — PL
 Portugal — PT
 [^{F3}Romania — RO]
 Slovakia — SK
 Slovenia — SI
 Spain — ES
 Sweden — SE
 United Kingdom —GB]

“Collector” includes Deputy Collector and Assistant Collector;

“the Community” means the European Community;

“continental shelf” means a designated area within the meaning of the Continental Shelf Act 1964(1);

“Controller” means the Controller, Customs and Excise Value Added Tax Central Unit;

“datapost packet” means a postal packet containing goods which is posted in the United Kingdom as a datapost packet for transmission to a place outside the United Kingdom in accordance with the terms of a contract entered into between [^{F4}the Post Office company] and the sender of the packet; or which is received at a post office [^{F5}of the Post Office company] in the United Kingdom from a place outside the United Kingdom for transmission and delivery in the United Kingdom [^{F6}by that company] as if it were a datapost packet;

[^{F7}“fiscal or other warehousing regime” means “fiscal warehousing regime or warehousing regime”];

“prescribed accounting period”, subject to regulation 99(1), means a period such as is referred to in regulation 25;

“proper officer” means the person appointed or authorised by the Commissioners to act in respect of any matter in the course of his duties;

[^{F8}“the Post Office” company has the same meaning as in Part IV of the Postal Services Act 2000;]

“registered person” means a person registered by the Commissioners under [^{F9}Schedule 1, 2, 3 or 3A] to the Act;

“registration number” means the number allocated by the Commissioners to a taxable person in the certificate of registration issued to him;

“return” means a return which is required to be made in accordance with regulation 25;

“specified date” means the date specified in a person’s application for registration for the purpose of VAT as that on which he expects to make his first taxable supply.

(2) A reference in these Regulations to “this Part” is a reference to the Part of these Regulations in which that reference is made.

- (a) “advanced electronic signature” means an electronic signature which meets the following requirements—
 - (i) it is uniquely linked to the signatory;
 - (ii) it is capable of identifying the signatory;
 - (iii) it is created using means that the signatory can maintain under his sole control; and
 - (iv) it is linked to the data to which it relates in such a manner that any subsequent change of the data is detectable;
- (b) “electronic data interchange” or “EDI” means the electronic transfer, from computer to computer, of commercial and administrative data using an agreed standard to structure an EDI message;
- (c) “EDI message” means a set of segments, structured using an agreed standard, prepared in a computer readable format and capable of being automatically and unambiguously processed;
- (d) “electronic signature” means data in electronic form which are attached to or logically associated with other electronic data and which serve as a method of authentication;
- (e) “electronic storage of invoices” means storage using electronic equipment for processing (including digital compression) and storage of data employing wires, radio transmission, optical technologies or other electromagnetic means;
- (f) “electronic transmission” in relation to invoices means transmission or making available to the recipient using electronic equipment employing wires, radio transmission, optical technologies or other electromagnetic means;
- (g) “signatory” means a person who holds a signature-creation device and acts either on his own behalf or on behalf of the natural or legal person or entity he represents.]

Textual Amendments

F29 Reg. A13 inserted (1.1.2004) by [The Value Added Tax \(Amendment\) \(No. 6\) Regulations 2003 \(S.I. 2003/3220\)](#), regs. 1(1)(b), 3

Obligation to provide a VAT invoice

13. —

- (1) Save as otherwise provided in these Regulations, where a registered person—
 - (a) makes a taxable supply in the United Kingdom to a taxable person, or
 - (b) makes a supply of goods or services ^{F30}... to a person in another member State [^{F31}for the purpose of any business activity carried out by that person], or
 - (c) receives a payment on account in respect of a supply he has made or intends to make from a person in another member State,

he shall provide such persons as are mentioned above with a VAT invoice [^{F32}(unless, in the case of that supply, he is entitled to issue and issues a VAT invoice pursuant to section 18C(1)(e) of the Act and regulation 145D(1) below in relation to the supply by him of specified services performed on or in relation to goods while those goods are subject to a fiscal or other warehousing regime)].

[^{F33}(1A) Paragraph (1)(b) above shall not apply where the supply is an exempt supply which is made to a person in a member State which does not require an invoice to be issued for the supply.]

(2) The particulars of the VAT chargeable on a supply of goods described in paragraph 7 of Schedule 4 to the Act shall be provided, on a sale by auction, by the auctioneer, and, where the

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- (a) both the supplier and the customer are able to guarantee the authenticity of the origin and integrity of the contents by one of the following means—
 - (i) an advanced electronic signature;
 - (ii) EDI;
 - (iii) where the document relates to supplies of goods or services made in the United Kingdom, such other electronic means as may be approved by the Commissioners in any particular case;
 - (b) the supplier has complied with any conditions imposed by the Commissioners.
- (3) When the document is a self-billed invoice that purports to be a VAT invoice, paragraph (2) (b) applies as if the reference to the supplier is to the customer.
- (4) Where an invoice has been provided or received that meets the conditions in paragraph (2) the supplier and the customer must preserve the means adopted for guaranteeing the authenticity of the origin and integrity of the contents under paragraph 2(a) for such time as the invoice is preserved.]

Textual Amendments
F36 Reg. 13A inserted (1.1.2004) by [The Value Added Tax \(Amendment\) \(No. 6\) Regulations 2003 \(S.I. 2003/3220\)](#), regs. 1(1)(b), 5

[^{F37}**13B.** Where a VAT invoice or part of a VAT invoice is in a language other than English the Commissioners may, by notice in writing, require that an English translation of the invoice is provided to them by a person who has received such an invoice in the United Kingdom within 30 days of the date of the notice.]

Textual Amendments
F37 Reg. 13B inserted (1.1.2004) by [The Value Added Tax \(Amendment\) \(No. 6\) Regulations 2003 \(S.I. 2003/3220\)](#), regs. 1(1)(b), 6

Contents of VAT invoice

14. —

(1) Subject to paragraph (2) below and regulation 16^{F38} ... [^{F39}and save as the Commissioners may otherwise allow,] a registered person providing a VAT invoice in accordance with regulation 13 shall state thereon the following particulars—

- [^{F40}(a) a sequential number based on one or more series which uniquely identifies the document],
- (b) the time of the supply,
- (c) the date of the issue of the document,
- (d) the name, address and registration number of the supplier,
- (e) the name and address of the person to whom the goods or services are supplied,
- ^{F41}(f)
- (g) a description sufficient to identify the goods or services supplied,
- (h) for each description, the quantity of the goods or the extent of the services, and the rate of VAT and the amount payable, excluding VAT, expressed in [^{F42}any currency],
- (i) the gross total amount payable, excluding VAT, expressed in [^{F43}any currency],

- (j) the rate of any cash discount offered,
 - ^{F44}(k)
 - (l) the total amount of VAT chargeable, expressed in sterling.
 - ^{F45}(m) the unit price.]
 - ^{F46}(n) where a margin scheme is applied under section 50A or section 53 of the Act, a relevant reference or any indication that a margin scheme has been applied,
 - (o) where a VAT invoice relates in whole or part to a supply where the person supplied is liable to pay the tax, a relevant reference or any indication that the supply is one where the customer is liable to pay the tax.]
- ^{F47}(2) Save as the Commissioners may otherwise allow, where a registered person provides a person in another member State with a VAT invoice or any document that refers to a VAT invoice and is intended to amend it, he must ensure that it states thereon the following particulars—
- (a) the information specified in sub-paragraphs [^{F48}(a) to (e), (g), [^{F49}(j), (m), (n) and (o)]] of paragraph (1) above,
 - (b) the letters “GB” as a prefix to his registration number,
 - (c) the registration number, if any, of the recipient of the supply of goods or services and which registration number, if any, shall contain the alphabetical code of the member State in which that recipient is registered,
 - (d) the gross amount payable, excluding VAT,
 - (e) where the supply is of a new means of transport (as defined in section 95 of the Act) a description sufficient to identify it as such,
 - (f) for each description, the quantity of the goods or the extent of the services, and where a positive rate of VAT is chargeable, the rate of VAT and the amount payable, excluding VAT, expressed in sterling, ^{F50} ...
 - (g) where the supply of goods is a taxable supply, the information as specified in [^{F51}sub-paragraph (l)] of paragraph (1) above [^{F52}, and
 - (h) where the supply is an exempt or zero-rated supply, a relevant reference or any indication that the supply is exempt or zero-rated as appropriate.]
- (3) Where a taxable supply takes place as described in section 6(2)(c) or section 6(5) of the Act, any consignment or delivery note or similar document or any copy thereof issued by the supplier before the time of supply shall not, notwithstanding that it may contain all the particulars set out in paragraph (1) above, be treated as a VAT invoice provided it is endorsed “This is not a VAT invoice”.
- (4) Where a registered person provides an invoice containing the particulars specified in paragraphs (1) and (3) above, and specifies thereon any goods or services which are the subject of an exempt or zero-rated supply, he shall distinguish on the invoice between the goods or services which are the subject of an exempt, zero-rated or other supply and state separately the gross total amount payable in respect of each supply and rate.
- ^{F53}(5)
- ^{F54}(6) Where a registered person provides a VAT invoice relating in whole or in part to a supply of the letting on hire of a motor car other than for self-drive hire, he shall state on the invoice whether that motor car is a qualifying vehicle under article 7(2A) of the Value Added Tax (Input Tax) Order 1992.]
- ^{F55}(7) Where a registered person provides ^{F55}(7) documents in batches to the same recipient by electronic transmission that purport to be VAT invoices in respect of supplies of goods or services

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- (a) (4) (a) This sub-paragraph applies where, in each of the four quarters preceding the quarter in which the supply is made (“the relevant quarter”), the total value of EU supplies of goods made by the taxable person (A) did not exceed the first relevant figure.
- (b) This sub-paragraph applies where, in the relevant quarter, the total value of EU supplies of goods made by A did not exceed the first relevant figure.
- (c) Where sub-paragraphs (a) and (b) above apply, A may submit the statement in respect of the relevant quarter.
- (d) Where –
- (i) sub-paragraph (a) above applies, and
 - (ii) sub-paragraph (b) above does not apply,
- A may submit a statement in respect of the period beginning with the first day of the relevant quarter and ending on the last day of the month in which the total value of EU supplies of goods made by A in that quarter first exceeded the relevant figure.
- (e) Where during the relevant quarter specified in sub-paragraph (c) above A—
- (i) ceases to be registered under Schedule 1 to the Act, and
 - (ii) no other person has been registered with the registration number of and in substitution for A,
- the last day of that period is to be treated as being the same date as the effective date of A’s deregistration.
- (a) (5) (a) A statement may be submitted in respect of the year mentioned in sub-paragraphs (i) to (iv) below provided that the taxable person making the statement (A) has not, during that year, made a supply of a new means of transport and the Commissioners are satisfied either that—
- (i) at the end of any month, the value of A’s taxable supplies in the period of one year then ending is less than the second relevant figure, or
 - (ii) at any time there are reasonable grounds for believing that the value of A’s taxable supplies in the period of one year beginning at that or any later time will not exceed the second relevant figure,
- and either that—
- (iii) at the end of any month, the value of A’s supplies to persons registered in other member States in the period of one year then ending is less than £11,000, or
 - (iv) at any time, there are reasonable grounds for believing that the value of A’s supplies to persons registered in other member States in the period of one year beginning at that or any later time will not exceed £11,000.
- (b) Where during a period specified in sub-paragraph (a) above A—
- (i) ceases to be registered under Schedule 1 to the Act, and
 - (ii) no other person has been registered with the registration number of and in substitution for A,
- the last day of that period is to be treated as being the same date as the effective date of A’s deregistration.
- (6) A taxable person (A) who is permitted under regulation 25 to make a return in respect of a period longer than 3 months may submit a statement under paragraph (1) above in respect of a period identical to the period permitted for the making of the return provided that A has not, during that period, made a supply of a new means of transport and the Commissioners are satisfied either that—

- (a) at the end of any month, the value of A's taxable supplies in the period of one year then ending is less than £145,000, or
 - (b) at any time, there are reasonable grounds for believing that the value of A's taxable supplies in the period of one year beginning at that or any later time will not exceed £145,000,
- and either that—
- (c) at the end of any month, the value of A's supplies to persons registered in other member States in the period of one year then ending is less than £11,000, or
 - (d) at any time, there are reasonable grounds for believing that the value of A's supplies to persons registered in other member States in the period of one year beginning at that or any later time will not exceed £11,000.]

[^{F68}22A.—(1) Every taxable person who has made a supply of services to a person in a member State other than the United Kingdom in circumstances where the recipient is required to pay VAT on the supply in accordance with the provisions of the law of that other member State giving effect to Article 196 of Council Directive [2006/112/EC](#) shall submit a statement to the Commissioners.

(2) The statement shall be—

- (a) made on the Form numbered 12 in Schedule 1 to these Regulations,
 - (b) contain, in respect of the EU supplies of services which have been made within the period to which the statement relates, such information as the Commissioners shall from time to time prescribe, and
 - (c) contain a declaration that the information provided in the statement is true and complete.
- (a) (3) (a) Subject to paragraph (4) below the statement may be submitted in respect of the period of the month or the quarter in which the EU supply of services has been made.
- (b) Where during a period mentioned in sub-paragraph (a) above the taxable person (A)—
- (i) ceases to be registered under Schedule 1 to the Act, and
 - (ii) no other person has been registered with the registration number of and in substitution for A,

the last day of that period is to be treated as being the same date as the effective date of A's deregistration.

(4) A taxable person (A) who is permitted under regulation 25 to make a return in respect of a period longer than 3 months may make a statement under paragraph (1) above in respect of a period identical to the period permitted for the making of the return provided that A has not, during that period, made a supply of a new means of transport and the Commissioners are satisfied either that—

- (a) at the end of any month, the value of A's taxable supplies in the period of one year then ending is less than £145,000, or
 - (b) at any time, there are reasonable grounds for believing that the value of A's taxable supplies in the period of one year beginning at that or any later time will not exceed £145,000,
- and either that—
- (c) at the end of any month, the value of A's supplies to persons registered in other member States in the period of one year then ending is less than £11,000, or
 - (d) at any time, there are reasonable grounds for believing that the value of A's supplies to persons registered in other member States in the period of one year beginning at that or any later time will not exceed £11,000.

22B.—(1) Where statements are to be submitted under regulation 22 and 22A in respect of periods ending on the same day, the statements may be submitted on a single form.

“delivery terms”, “nature of the transaction”, “partner Member State”, “quantity of the goods” and “value of the goods” shall have the same meaning as in the establishing Regulation and implementing Regulation.

23F.—(1) A responsible party shall provide the information in paragraph (2) relating to arrivals and dispatches to the Commissioners.

(2) The information is—

- (a) the registration number of the responsible party,
- (b) the reference period,
- (c) whether the information relates to arrival or dispatch,
- (d) the commodity, identified by the eight digit code of the Combined Nomenclature as defined in Council Regulation (EEC) No.2658/87 of 23 July 1987⁽⁵⁾ as amended on the tariff and statistical nomenclature and the Common Customs Tariff,
- (e) the partner Member State,
- (f) the value of the goods,
- (g) the quantity of the goods,
- (h) the nature of the transaction.

(3) A responsible party to whom regulation 4(2) of the statistics Regulations applies shall also provide the delivery terms relating to arrivals and dispatches to the Commissioners.

(4) The information required by paragraphs (2) and (3) shall be provided in the supplementary declaration in which, and for the same reference period as, information is provided relating to those arrivals and dispatches for Intrastat purposes.]

PART V

ACCOUNTING, PAYMENT AND RECORDS

Interpretation of Part V

24. In this Part—

“increase in consideration” means an increase in the consideration due on a supply made by a taxable person which is evidenced by a credit or debit note or any other document having the same effect and “decrease in consideration” is to be interpreted accordingly;

“insolvent person” means—

- (a) an individual who has been adjudged bankrupt;
- (b) a company in relation to which—
 - (i) a voluntary arrangement under Part I of the Insolvency Act 1986⁽³⁾ has been approved,
 - (ii) [^{F73}an administrator has been appointed],
 - (iii) an administrative receiver has been appointed,
 - (iv) a resolution for voluntary winding up has been passed, or

⁽⁵⁾ S.I. 1992/3152.

⁽³⁾ 1986 c. 45 .

- (d) where the Commissioners consider it necessary in any particular case, they may allow or direct a person to make returns to a specified address.
- (2) Any person to whom the Commissioners give any direction in pursuance of the proviso to paragraph (1) above shall comply therewith.
- (3) Where for the purposes of this Part the Commissioners have made a requirement of any person pursuant to regulation 30—
 - (a) the period in respect of which taxable supplies were being made by the person who died or became incapacitated shall end on the day previous to the date when death or incapacity took place; and
 - (b) subject to sub-paragraph (1)(c) above, a return made on his behalf shall be made in respect of that period no later than the last day of the month next following the end of that period; and
 - (c) the next period shall start on the day following the aforesaid period and it shall end, and all subsequent periods shall begin and end, on the dates previously determined under paragraph (1) above.
- (4) Any person who—
 - (a) ceases to be liable to be registered, or
 - (b) ceases to be entitled to be registered under either or both of paragraphs 9 and 10 of Schedule 1 to the Act,

shall, unless another person has been registered with his registration number in substitution for him under regulation 6, make to the Controller a final return [^{F80}in the manner prescribed in regulation 25A] and any such return shall contain full information in respect of the matters specified in the form and a declaration, [^{F81}signed by that person or by a person authorised to sign on that person’s behalf], that the return is [^{F82}correct] and complete and shall be made, in the case of a person who was or is registered, within one month of the effective date for cancellation of his registration, and in the case of any other person, within one month of the date upon which he ceases to be liable to be registered, and in either case shall be in respect of the final period ending on the date aforementioned and be in substitution for the return for the period in which such date occurs.

^{F83}(4A)

^{F83}(4B)

^{F83}(4C)

^{F83}(4D)

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^{F83}(4G)

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^{F83}(4I)

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^{F83}(4K)

^{F83}(4L)

^{F83}(4M)

(5) The Commissioners may allow VAT chargeable in any period to be treated as being chargeable in such later period as they may specify.

The register of temporary movement of goods to and from other member States

33. —

(1) Every taxable person shall keep and maintain, in accordance with this regulation, a register to be known as the register of temporary movement of goods to and from other member States.

(2) Where goods have been moved to or received from another member State and they are to be returned within a period of 2 years of the date of their first removal or receipt, as the case may be, the register shall contain the following information—

- (a) the date of removal of goods to another member State,
- (b) the date of receipt of the goods mentioned in sub-paragraph (a) above when they are returned from the member State mentioned in that sub-paragraph or another member State,
- (c) the date of receipt of goods from another member State,
- (d) the date of removal of the goods mentioned in sub-paragraph (c) above when they are returned to the member State mentioned in that sub-paragraph or another member State,
- (e) a description of the goods sufficient to identify them,
- (f) a description of any process, work or other operation carried out on the goods either in the United Kingdom or in another member State,
- (g) the consideration for the supply of the goods, and
- (h) the consideration for the supply of any processing, work or other operation carried out on the goods either in the United Kingdom or another member State.

(3) The Commissioners may in relation to a trade or business of a description specified by them supplement the list of information required in paragraph (2) above by a notice published by them for that purpose.

Commencement Information

I29 Reg. 33 in force at 20.10.1995, see [reg. 1](#)

^[F102]**33A.** A person making supplies of a description falling within article 4 of the Value Added Tax (Terminal Markets) Order 1973 shall not be required to keep in relation to those supplies the records specified in regulations 31 (save for paragraph (1)(a) of that regulation), 31A, 32 and 33 of these Regulations.

Textual Amendments

F102 [Regs. 33A, 33B](#) inserted (1.1.2000) by [The Value Added Tax \(Amendment\) \(No. 4\) Regulations 1999](#) (S.I. 1999/3114), [regs. 1, 5](#)

33B. Where a person of a description in article 6 of the Value Added Tax (Terminal Markets) Order 1973 who makes or receives supplies of a description falling within that article, the following Parts of these Regulations shall not apply in relation to those supplies, that is to say—

- (a) Part IV;
- (b) Part V.]

(4) In paragraph (3) above, his main business activity in a period is to be determined by reference to the respective proportions of his relevant turnover expected, on reasonable grounds, to be generated by each business activity expected, on reasonable grounds, to be carried on in the period.

Table

<i>F192</i> Category of business	Appropriate percentage
Accountancy or book-keeping	13
Advertising	10
Agricultural services	10
Any other activity not listed elsewhere	10.5
Architect, civil and structural engineer or surveyor	13
Boarding or care of animals	10.5
Business services that are not listed elsewhere	10.5
Catering services including restaurants and takeaways	11
Computer and IT consultancy or data processing	13
Computer repair services	9.5
Dealing in waste or scrap	9.5
Entertainment or journalism	11
Estate agency or property management services	10.5
Farming or agriculture that is not listed elsewhere	6
Film, radio, television or video production	11.5
Financial services	12
Forestry or fishing	9.5
General building or construction services ⁽¹⁾	8.5
Hairdressing or other beauty treatment services	11.5
Hiring or renting goods	8.5
Hotel or accommodation	9.5
Investigation or security	10.5
Labour-only building or construction services ⁽¹⁾	13
Laundry or dry-cleaning services	10.5
Lawyer or legal services	13
Library, archive, museum or other cultural activity	8.5
Management consultancy	12.5

(1) “Labour-only building or construction services” means building or construction services where the value of materials supplied is less than 10 per cent of relevant turnover from such services; any other building or construction services are “general building or construction services”.]

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<i>F192</i> Category of business	Appropriate percentage
Manufacturing fabricated metal products	9.5
Manufacturing food	8
Manufacturing that is not listed elsewhere	8.5
Manufacturing yarn, textiles or clothing	8
Membership organisation	7
Mining or quarrying	9
Packaging	8
Photography	10
Post offices	4.5
Printing	7.5
Publishing	10
Pubs	6
Real estate activity not listed elsewhere	12.5
Repairing personal or household goods	9
Repairing vehicles	7.5
Retailing food, confectionary, tobacco, newspapers or children's clothing	3.5
Retailing pharmaceuticals, medical goods, cosmetics or toiletries	7
Retailing that is not listed elsewhere	6.5
Retailing vehicles or fuel	6
Secretarial services	11.5
Social work	10
Sport or recreation	7.5
Transport or storage, including couriers, freight, removals and taxis	9
Travel agency	9.5
Veterinary medicine	10
Wholesaling agricultural products	7
Wholesaling food	6.5
Wholesaling that is not listed elsewhere	7.5

- (1) "Labour-only building or construction services" means building or construction services where the value of materials supplied is less than 10 per cent of relevant turnover from such services; any other building or construction services are "general building or construction services".]

Change in VAT

75. Where pursuant to any enactment there is a change in the VAT charged on any supply, including a change to or from no VAT being charged on such supply, a retailer using any scheme shall take such steps relating to that scheme as are directed in any notice applicable to him or as may be agreed between him and the Commissioners.

Commencement Information

I57 Reg. 75 in force at 20.10.1995, see [reg. 1](#)

^{F223}PART X

TRADING STAMPS

Textual Amendments

F223 Pt. 10 revoked (1.6.1996) by [The Value Added Tax \(Trading Stamps\) Regulations 1995 \(S.I. 1995/3043\)](#), [regs. 1, 2](#)

PART XI

TIME OF SUPPLY AND TIME OF ACQUISITION

Goods for private use and free supplies of services

81. —

(1) Where the services referred to in paragraph 5(4) of Schedule 4 to the Act are supplied for any period, they shall be treated as being supplied on the last day of the supplier's prescribed accounting period, or of each such accounting period, in which the goods are made available or used.

(2) Where services specified in an order made by the Treasury under section 5(4) of the Act are supplied for any period, they shall be treated as being supplied on the last day of the supplier's prescribed accounting period, or of each such accounting period, in which the services are performed.

Commencement Information

I58 Reg. 81 in force at 20.10.1995, see [reg. 1](#)

Services from outside the United Kingdom

^{F224}82.—(1) This paragraph applies to services which are treated as being made by a person under section 8(1) of the Act which are not services to which paragraph (3) below applies.

(2) Subject to paragraphs (5) and (7) below, the services to which paragraph (1) above applies shall be treated as being made when they are performed.

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- (g) the attribution required by subparagraph (f) above may be made using the calculation specified in subparagraph (d) above provided that that calculation is used for all the prescribed accounting periods which fall within any longer period applicable to a taxable person.]
- (3) In calculating the proportion under paragraph (2)(d) [^{F267}or (g)] above, there shall be excluded—
 - (a) any sum receivable by the taxable person in respect of any supply of capital goods used by him for the purposes of his business,
 - (b) any sum receivable by the taxable person in respect of any of the following descriptions of supplies made by him, where such supplies are incidental to one or more of his business activities—
 - [^{F268}(i) any supply of a description falling within Group 5 of Schedule 9 to the Act,,
 - (ii) any other financial transaction, and
 - (iii) any real estate transaction,]
 - (c) that part of the value of any supply of goods on which output tax is not chargeable by virtue of any order made by the Treasury under section 25(7) of the Act unless the taxable person has imported, acquired or been supplied with the goods for the purpose of selling them, ^{F269} ...
 - (d) the value of any supply which, under or by virtue of any provision of the Act, the taxable person makes to himself, [^{F270}and]
 - [^{F271}(e) supplies of a description falling within paragraph (8) below.]
- (4) The ratio calculated for the purpose of paragraph (2)(d) [^{F272}, (e) or (g)] above shall be expressed as a percentage and, if that percentage is not a whole number, it shall be rounded up [^{F273}as specified in paragraph (5) below].
- ^{F274}(5)
- [^{F275}(5) The percentage shall be rounded up—
 - (a) where in any prescribed accounting period or longer period which is applied the amount of input tax which is available for attribution under paragraph 2(d) [^{F276}, (e) or (g)] above prior to any such attribution being made does not amount to more than £400,000 per month on average, to the next whole number, and
 - (b) in any other case, to two decimal places.]
- [^{F277}(6) For the purposes of this regulation, a “real estate transaction” includes any grant, assignment (including any transfer, disposition or sale), surrender or reverse surrender of any interest in, right over or licence to occupy land.]
- [^{F278}(7) In this regulation “taxable supplies” include supplies of a description falling within regulation 103.
- (8) Input tax incurred on goods or services acquired by or supplied to a taxable person which are used or to be used by him in whole or in part in making—
 - (a) supplies falling within either item 1 or item 6 of Group 5 of Schedule 9 to the Act; or
 - (b) supplies made from an establishment situated outside the United Kingdom,
 shall, whether the supply in question is made within or outside the United Kingdom, be attributed to taxable supplies on the basis of the extent to which the goods or services are used or to be used by him in making taxable supplies.
- (9) For the purposes of this regulation in relation to a taxable person—

- (a) in respect of—
 - (i) goods or services which had been supplied, or
 - (ii) save as the Commissioners may otherwise allow, goods which had been consumed, by the relevant person before the date with effect from which the taxable person was, or was required to be, registered;
- (b) subject to paragraph (2A) [^{F331}, (2C) and (2D)] below, in respect of goods which had been supplied to, or imported or acquired by, the relevant person more than [^{F332}4 years] before the date with effect from which the taxable person was, or was required to be, registered;
- (c) in respect of services performed upon goods to which sub-paragraph (a) or (b) above applies; ^{F333} ...
- (d) in respect of services which had been supplied to the relevant person more than 6 months before the date with effect from which the taxable person was, or was required to be, registered]; [^{F334}or
- (e) in respect of capital items of a description falling within regulation 113.]

[^{F335}(2A) Paragraph (2)(b) above does not apply where—

- (a) the taxable person was registered before 1st May 1997; and
- (b) he did not make any returns before that date.

(2B) In paragraph (2) above references to the relevant person are references to—

- (a) the taxable person; or
- (b) in the case of paragraph (1)(b) above, the person to whom the supply had been made, or who had imported or acquired the goods, as the case may be.]

[^{F336}(2C) Where the relevant person was, or was required to be, registered on or before 1st April 2009, no VAT may be treated as if it were input tax under paragraph (1) above in respect of goods which were supplied to, or imported or acquired by the relevant person more than 3 years before the date with effect from which that person was, or was required to be, registered.

(2D) Where the relevant person was or was required to be registered on or before 31st March 2010 and paragraph (2C) above does not apply, no VAT may be treated as if it were input tax under paragraph (1) above in respect of goods which were supplied to, or imported or acquired by, the relevant person on or before 31st March 2006.]

(3) [^{F337}Subject to paragraphs (3A) and (3B) below,] a claim under paragraph (1) above shall, save as the Commissioners may otherwise allow, be made on [^{F338}the first return the taxable person is required to make] and, as the Commissioners may require, be supported by invoices and other evidence.

[^{F339}(3A) Where the taxable person was registered before 1st May 1997 and has not made any returns before that date paragraph (3) above shall have effect as if for the words “the first return the taxable person is required to make” there were substituted the words “the first return the taxable person makes”.

(3B) [^{F340}Subject to paragraph (3C)] the Commissioners shall not allow a person to make any claim under paragraph (3) above in terms such that the VAT concerned would fall to be claimed as if it were input tax more than [^{F341}4 years] after the date by which the first return he is required to make is required to be made.]

[^{F342}(3C) The Commissioners shall not allow a person to make any claim under paragraph (3) above in the circumstances where the first return the taxable person was required to make was required to be made on or before 31st March 2006.]

Status: Point in time view as at 01/01/2011.

Changes to legislation: There are currently no known outstanding effects for the The Value Added Tax Regulations 1995. (See end of Document for details)

have been its duration if it had been determined according to regulation 116C or 116G as appropriate;

C is the full cost of the goods excluding any increase resulting from a supply of goods or services giving rise to a new economic life; and

U% is the extent, expressed as a percentage, to which the goods are put to any private use or used, or made available for use, for non-business purposes as compared with the total use made of the goods during the part of the prescribed accounting period occurring within the economic life of the goods.

116F. Where a prescribed accounting period in which a relevant supply occurs immediately follows a prescribed accounting period during which the goods whose use gives rise to that supply were not used or made available for use for any purpose, element “A” of the formula in regulation 116E shall (without prejudice to any other element of the formula) comprise the total number of months falling within the economic life concerned covered by

- (a) the prescribed accounting period in which the relevant supply occurs; and
- (b) all preceding prescribed accounting periods which commence after the end of the prescribed accounting period during which the goods were last used or made available for use for any purpose before the prescribed accounting period in which the relevant supply occurs.

Later increase in the full cost of goods

116G. Where

- (a) a supply of goods or services is made to a person or any of his predecessors in respect of any goods held or used for the purposes of a business (whether or not the goods have an economic life in relation to that person at that time);
- (b) VAT is chargeable on that supply which is eligible (in whole or part) for credit under sections 25 and 26 of the Act or repayment under section 39 of the Act; and
- (c) by virtue of that supply, the full cost of the goods is greater than their full cost immediately before that supply,

a new economic life shall, without prejudice to any other economic life having effect in relation to those goods, be treated as commencing in respect of them in accordance with regulation 116C as if they had been supplied, acquired or imported at the time when the supply of goods or services is made.

Value of relevant supplies made during a new economic life

116H. Subject to regulation 116I, the calculation of the value of a relevant supply made during a new economic life in accordance with the formula in regulation 116E is varied so that

C is the increase in the full cost of the goods resulting from the supply of the goods or services giving rise to the new economic life; and

U% is the extent, expressed as a percentage, to which the goods are put to any private use or used, or made available for use, for non-business purposes as compared with the total use made of the goods during the part of the prescribed accounting period occurring during the new economic life of the goods.

Value of relevant supplies of goods which have two or more economic lives

116I. Where a relevant supply occurs in relation to goods that have two or more economic lives at the time when they are put to private use or used, or made available for use, for non-business

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Changes to legislation: There are currently no known outstanding effects for the The Value Added Tax Regulations 1995. (See end of Document for details)

as if it were made in error (but not so as to render him liable to any penalty or payment of interest in respect of that claim) provided that

- (a) the goods have not been used for any purpose before the claim is withdrawn;
- (b) he intends or expects that the goods will be put to private or non-business purposes during their economic life;
- (c) the withdrawal is in respect of-
 - (i) all of the input tax claimed on the goods; or
 - (ii) the part of the input tax claimed on the goods which is referable to his intended use of those goods for purposes other than those of his business; and
- (d) the withdrawal is made in accordance with regulation 35 (whatever the amount of the claim that is withdrawn) before 1st February 2008.]

PART XVI

IMPORTATIONS, EXPORTATIONS AND REMOVALS

Interpretation of Part XVI

117. —

(1) In regulation 127 “approved inland clearance depot” means any inland premises approved by the Commissioners for the clearance of goods for customs and excise purposes.

(2) For the purposes of regulation 128 “container” means an article of transport equipment (lift-van, moveable tank or other similar structure)—

- (a) fully or partially enclosed to constitute a compartment intended for containing goods,
- (b) of a permanent character and accordingly strong enough to be suitable for repeated use,
- (c) specially designed to facilitate the carriage of goods, by one or more modes of transport, without intermediate reloading,
- (d) designed for ready handling, particularly when being transferred from one mode of transport to another,
- (e) designed to be easy to fill and to empty, and
- (f) having an internal volume of one cubic metre or more,

and the term “container” shall include the accessories and equipment of the container, appropriate for the type concerned, provided that such accessories and equipment are carried with the container, but shall not include vehicles, accessories or spare parts of vehicles, or packaging.

^{F389}(3)

[^{F390}(4) In [^{F391}regulation] 131 “goods” does not include—

- (a) a motor-vehicle, or
- (b) a boat intended to be exported under its own power.]

^{F392}(5)

^{F392}(6)

(7) For the purposes of regulation 129 “overseas authority” means any country other than the United Kingdom or any part of or place in such a country or the government of any such country, part or place.

- (5) For the purposes of paragraphs (3) and (4)—
- (a) “VAT” includes value added tax charged in accordance with the law of another member State (see sections 92(1), 92(2) and 96(1) of the Act);
 - (b) “unpaid” refers to any part of the VAT charged and due on—
 - (i) a supply or acquisition of the goods in a member State before the reimportation, or
 - (ii) an importation of the goods from outside the member States before the reimportation, but repaid, remitted or otherwise not paid;
 - (c) “paid” refers to any part of the VAT charged, due and paid on—
 - (i) a supply or acquisition of the goods in a member State before the reimportation, or
 - (ii) an importation of the goods from outside the member States before the reimportation, and without any actual, or prospect of, repayment or remission;
 - (d) a sum for which there is or was under the law of a member State an entitlement or right to a deduction or refund within Article 17 of Council Directive [77/388/EEC](#) (origin and scope of the right to deduct) is neither “unpaid” nor “paid”.
- (6) In the circumstances described by paragraph (7) or (8)—
- (a) Articles 185 to 187 of the Community Customs Code (returned goods), and
 - (b) Articles 844 to 856 and Article 882 of the implementation Regulation (returned goods),
- are excepted from the Community legislation which is to apply as mentioned in section 16(1) of the Act (application of customs legislation in relation to import VAT).
- (7) These circumstances are that—
- (a) the reimporter contemplated by those Articles makes a supply of, or concerning, the goods whilst under the inward processing procedure or in the course of, or after, the relevant exportation, re-exportation or reimportation,
 - (b) the place of that supply for the purposes of VAT is determined by or under section 7 of the Act (place of supply) as being outside the United Kingdom, and
 - (c) the goods nevertheless are or may be stored or physically used in the United Kingdom by or under the direction of that reimporter or the person to whom that supply is made (“recipient”).
- For these purposes, “reimporter” and “recipient” include someone connected with either person or both persons as determined in accordance with section 839 of the Taxes Act.
- (8) These circumstances are that the goods in question were supplied at any time to any person pursuant to regulations 131 to 133 (supplies to persons departing from the member States) or pursuant to any corresponding provision of the Isle of Man.
- (9) For the purposes of the Articles of the Community Customs Code and implementation Regulation mentioned in paragraph (2)—
- (a) regard the description of the customs territory of the Community in Article 3 of the Community Customs Code as being substituted with a description of the VAT territory (see paragraph (2));
 - (b) regard the following references as including a reference to the completion of the formalities referred to in Article 33a(1)(a) of Council Directive [77/388/EEC](#) (formalities relating to entry of goods into VAT territory from territory considered a third territory)—
 - (i) “released for free circulation” in the definition of “Community goods” in Article 4(7), second indent and Article 185(1) of the Community Customs Code;

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Changes to legislation: There are currently no known outstanding effects for the The Value Added Tax Regulations 1995. (See end of Document for details)

- (ii) “entered” and “declared” for “release for free circulation” in, or for the purposes of, Articles 844(4), 848(1), 848(2), 849(1) and 849(5) of the implementation Regulation;
 - (c) regard the following references as including a reference to the completion of the formalities referred to in Article 33a(2)(a) of Council Directive [77/388/EEC](#) (or to a declaration under those formalities) (formalities relating to dispatch or transport of goods from Member State to territory considered a third territory)—
 - (i) “customs export formalities” in Articles 844(1), 849(1), 849(2) and 849(3) of the implementation Regulation;
 - (ii) “export declaration” in Article 848(1) of that Regulation;
 - (iii) “customs formalities relating to their exportation” in Articles 844(4) and 849(1) of that Regulation;
 - (d) regard—
 - (i) the definition of “import duties” in Article 4(10) of the Community Customs Code as defining instead VAT charged on the importation of goods from places outside the member States in accordance with the Act; and
 - (ii) the references to “import duty” and “duty” in Article 185(1), second sub-paragraph, second indent and Article 187 of the Community Customs Code as references to such VAT.
- (10) The references to Council Directive [77/388/EEC](#) in paragraphs (2), (5)(d), (9)(b) and (9)(c) embrace relevant amendments up to and including 6th April 2006 only.]

Textual Amendments

F409 Reg. 121D inserted (6.4.2006) by [The Value Added Tax \(Amendment\) Regulations 2006 \(S.I. 2006/587\)](#), regs. 1(3), 4 (with reg. 1(4))

Postal importations by registered persons in the course of business

122. Goods imported by post from places outside the member States, other than by datapost packet, not exceeding £2,000 in value, or such greater sum as is determined for the time being by the Commissioners, by a registered person in the course of a business carried on by him may, with the authority of the proper officer, be delivered without payment of VAT if—

- (a) the registered person has given such security as the Commissioners may require, and
- (b) his registration number is shown on the customs declaration attached to or accompanying the package,

and save as the Commissioners may otherwise allow he shall account for VAT chargeable on the goods on their importation together with any VAT chargeable on the supply of goods or services by him or on the acquisition of goods by him from another member State in a return furnished by him in accordance with these Regulations for the prescribed accounting period during which the goods were imported.

Commencement Information

I93 Reg. 122 in force at 20.10.1995, see [reg. 1](#)

Commencement Information

I106 Reg. 135 in force at 20.10.1995, see [reg. 1](#)

Territories to be treated as excluded from or included in the territory of the Community and of the member States

136. For the purposes of the Act the following territories shall be treated as excluded from the territory of the Community—

- (a) the Channel Islands,
- (b) Andorra,
- (c) San Marino, and
- (d) the Aland Islands.

137. For the purposes of the Act the following territories shall be treated as excluded from the territory of the member States and the territory of the Community—

- (a) the Canary Islands (Kingdom of Spain),
- (b) the overseas departments of the French Republic (Guadeloupe, Martinique, Réunion, St. Pierre and Miquelon and French Guiana), and
- (c) Mount Athos (Hellenic Republic).

138. —

[^{F419}(1) For the purposes of the Act the territory of the Community shall be treated as excluding—

- (a) Austria, Finland and Sweden (“the 1995 acceding States”),
- (b) the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovakia and Slovenia (“the 2004 acceding States”), and
- (c) Bulgaria and Romania (“the 2007 acceding states”)

in relation to goods to which this regulation applies.]

(2) Subject to [^{F420}paragraph (4)] below, the goods to which this regulation applies are—

- (a) goods which are the subject of a supply made in an acceding State before [^{F421}the date specified in paragraph (5)] and for “20th October 1995” substitute “the date specified in paragraph (6)] and which in pursuance of that supply are removed to the United Kingdom on or after 20th October 1995 being goods in the case of which provisions of the law of the acceding State in question having effect for purposes corresponding to those of subsection (6)(a) or (so far as it applies to exportations) subsection (8) of section 30 of the Act have prevented VAT from being charged on that supply, and
- (b) goods which were subject to a suspension regime before [^{F422}the date specified in paragraph (5)] and for “20th October 1995” substitute “the date specified in paragraph (6)], which by virtue of any Community legislation were to remain, for VAT purposes only, subject to that regime for a period beginning with that date and which cease to be subject to that regime on or after 20th October 1995.

(3) For the purposes of paragraph (2)(b) above, goods shall be treated as having become subject to a suspension regime if—

- (a) on their entry into the territory of the Community—

- (b) the exit of those goods from the relevant fiscal warehouse (in the case of goods which were not allocated to the relevant fiscal warehousing regime).
- (5) A fiscal warehousekeeper, upon receiving a request to do so from any proper officer, shall—
 - (a) produce his fiscal warehousing record to that officer and permit him to inspect or take copies of it or of any part of it (as that officer shall require); or,
 - (b) facilitate and permit that officer to inspect any goods which are stored or deposited in his fiscal warehouse (whether or not those goods are allocated to the relevant fiscal warehousing regime).

Fiscal warehousing transfers in the United Kingdom

145G.—(1) Subject to paragraphs (2) and (3) below, a fiscal warehousekeeper (“the original fiscal warehousekeeper”) may permit eligible goods which are subject to his fiscal warehousing regime (“the original regime”) to be transferred to another fiscal warehousing regime (“the other regime”) without those goods being treated as removed from the original regime.

(2) The original fiscal warehousekeeper shall not allow eligible goods to exit from his fiscal warehouse in pursuance of this regulation before he receives a written undertaking from the fiscal warehousekeeper in relation to that other fiscal warehousing regime (“the other fiscal warehousekeeper”) that, in respect of those eligible goods, the other fiscal warehousekeeper will comply with the requirements of paragraph (3) below.

- (3) The other fiscal warehousekeeper, upon the entry of the goods to his fiscal warehouse, shall—
 - (a) record that entry in his fiscal warehousing record; and,
 - (b) allocate those goods to his fiscal warehousing regime.

Furthermore, within 30 days commencing with the day on which those goods left the original fiscal warehouse, he shall—

- (c) deliver or cause to be delivered to the original fiscal warehousekeeper a certificate in a form acceptable to the Commissioners confirming that he has recorded the entry of those goods to his fiscal warehouse and allocated them to his fiscal warehousing regime; and,
- (d) retain a copy of that certificate as part of his fiscal warehousing record.

Removal of goods from a fiscal warehousing regime and transfers overseas

145H.—(1) Without prejudice to sections 18F(5), 18F(6) and the following paragraphs of this regulation, eligible goods which are allocated to a fiscal warehousing regime shall only be removed from that regime at the time and in any of the following circumstances—

- (a) when an entry in respect of those eligible goods is made in the relevant fiscal warehousing record which indicates the time and date of their removal from that regime;
- (b) when the eligible goods are moved outside the fiscal warehouse in respect of which they are allocated to a fiscal warehousing regime (except in the case of movements between fiscal warehouses kept by the same fiscal warehousekeeper); or,
- (c) at the time immediately preceding a retail sale of those eligible goods.

The person who shall be treated as the person who removes or causes the removal of the relevant goods from the relevant fiscal warehousing regime in any of the circumstances described above shall be, as the case requires, either the person who causes any of those circumstances to occur or, in the case of sub-paragraph (c), the person who makes the retail sale referred to there.

Status: Point in time view as at 01/01/2011.

Changes to legislation: There are currently no known outstanding effects for the The Value Added Tax Regulations 1995. (See end of Document for details)

(2) Subject to paragraph (3) below, eligible goods which are subject to a fiscal warehousing regime shall not be treated as removed from that regime but shall be treated as transferred or as being in the process of transfer, as the case requires, in any of the following circumstances—

- (a) where the goods in question are transferred or are in the process of transfer to another fiscal warehousing regime in pursuance of regulation 145G(1) above;
- (b) where the goods in question are transferred or are in the process of transfer to arrangements which correspond in effect, under the law of another member State, to section 18B(3) (fiscal warehousing) whether or not those arrangements also correspond in effect to section 18C(1) (zero-rating of certain specified services performed in a fiscal or other warehousing regime);
- (c) where the goods in question are exported or are in the process of being exported to a place outside the member States; or,
- (d) where the goods in question are moved temporarily to a place other than the relevant fiscal warehouse for repair, processing, treatment or other operations (subject to the prior agreement of and to conditions to be imposed by the Commissioners).

(3) Where any relevant document referred to in paragraph (4) below is not received by the relevant fiscal warehousekeeper within the time period indicated there (commencing on the day on which the relevant eligible goods leave his fiscal warehouse), he shall—

- (a) make an entry by way of adjustment to his fiscal warehousing record to show the relevant goods as having been removed from his fiscal warehousing regime at the time and on the day when they left;
- (b) identify in his fiscal warehousing record the person on whose instructions he allowed the goods to leave his fiscal warehouse as the person removing those goods and that person's address and registration number (if any); and,
- (c) notify the person on whose instructions he allowed the goods to leave his fiscal warehouse that the relevant document has not been received by him in time.

(4) The document and time period referred to in paragraph (3) above is, as the case requires, either—

- (a) the certificate referred to in regulation 145G(3)(c) confirming the completion of a transfer of eligible goods from the relevant fiscal warehousing regime to another fiscal warehousing regime (30 days);
- (b) a document evidencing the completion of the transfer of the eligible goods from the relevant fiscal warehousing regime directly to arrangements which correspond, in another member State, to fiscal warehousing (60 days); or,
- (c) a document evidencing the export of the eligible goods from the relevant fiscal warehousing regime to a place outside the member States (60 days).

145I.—(1) A fiscal warehousekeeper shall not remove or allow the removal of any eligible goods from his fiscal warehousing regime at any time before—

- (a) he has inspected and placed on his fiscal warehousing record a copy of the relevant document issued by the Commissioners under regulation 145J(1) (removal document); or,
- (b) he is provided with the registration number of a person registered under the Act and a written undertaking from that person that any VAT payable by that person as the result of any removal of eligible goods from that fiscal warehousing regime will be accounted for on that person's return in accordance with regulation 40(1)(c).

(2) Without prejudice to section 18E, where a fiscal warehousekeeper allows the removal of any eligible goods to take place from his fiscal warehousing regime otherwise than in accordance with

this regulation, he shall be jointly and severally liable with the person who removes the goods for the payment of the VAT payable under section 18D(2) to the Commissioners.

(3) Paragraphs (1) and (2) above shall not apply to a removal which is the result of an entry in the relevant fiscal warehousing record made by the relevant fiscal warehousekeeper in compliance with regulation 145H(3)(a) (non-receipt of a document following transfer or export).

Payment on removal of goods from a fiscal warehousing regime

145J.—(1) The Commissioners may, in respect of a person who is seeking to remove or cause the removal of eligible goods from a fiscal warehousing regime,—

- (a) accept from or on behalf of that person payment of the VAT payable (if any) as a result of that removal, and
- (b) issue to that person a document bearing a reference or identification number.

(2) The Commissioners need not act in accordance with paragraph (1) above unless, as the case requires, they are satisfied as to—

- (a) the value and material time of any supply of the relevant goods in the fiscal warehousing regime which is treated as taking place in the United Kingdom under section 18B(4) and the status of the person who made that supply;
 - (b) the nature and quantity of the relevant eligible goods;
 - (c) the value of any relevant self-supplies of specified services treated as made under section 18C(3) in the course or furtherance of his business by the person who is to remove the relevant goods, or by the person on whose behalf the goods are to be removed, at the time they are removed from the fiscal warehousing regime; and,
 - (d) the nature and material time of any relevant supplies of specified services in respect of which the self-supplies referred to in sub-paragraph (c) above are treated as being identical (certain supplies of services on or in relation to goods while those goods are subject to the fiscal warehousing regime).
- (3) In paragraph (2)(a) above “status” is a reference to whether the person in question—
- (a) is or is required to be registered under the Act, or
 - (b) would be required to be registered under the Act were it not for paragraph 1(9) of Schedule 1 to the Act, paragraph 1(7) of Schedule 2 to the Act, paragraph 1(6) of Schedule 3 to the Act, or any of those provisions.]

[^{F432}Place of supply of goods subject to warehousing regime

145K.—(1) Section 18(1) (supply of goods subject to warehousing regime and before duty point treated as taking place outside the United Kingdom) shall not apply in the following prescribed circumstances.

- (2) The circumstances are—
- (a) that there is a supply of goods that would but for this regulation be treated for the purposes of the Act as taking place outside the United Kingdom by virtue of section 18(1);
 - (b) the whole or part of the business carried on by the supplier of those goods consists in supplying to a number of persons goods to be sold, by them or others, by retail;
 - (c) that supplier is a taxable person (or would be a taxable person but for section 18(1)); and
 - (d) that supply is to a person who is not a taxable person, and
 - (i) consists in a supply of goods to that person to be sold, by that person, by retail, or
 - (ii) consists in a supply of goods to that person by retail.]

(iii) if its manufacturer takes it into use for demonstration purposes, on its first being taken into such use.

(2) Where the times specified in paragraph (1) above cannot be established to the Commissioners' satisfaction, a means of transport is to be treated as having first entered into service on the issue of an invoice relating to the first supply of the means of transport.

Commencement Information

II18 Reg. 147 in force at 20.10.1995, see [reg. 1](#)

Notification of acquisition of new means of transport by non-taxable persons and payment of VAT

148. —

(1) Where—

- (a) a taxable acquisition of a new means of transport takes place in the United Kingdom,
- (b) the acquisition is not in pursuance of a taxable supply, and
- (c) the person acquiring the goods is not a taxable person at the time of the acquisition,

the person acquiring the goods shall notify the Commissioners of the acquisition within 7 days of the time of the acquisition or the arrival of the goods in the United Kingdom, whichever is the later.

(2) The notification shall be in writing in the English language and shall contain the following particulars—

- (a) the name and current address of the person acquiring the new means of transport,
- (b) the time of the acquisition,
- (c) the date when the new means of transport arrived in the United Kingdom,
- (d) a full description of the new means of transport which shall include any registration mark allocated to it by any competent authority in another member State prior to its arrival in the United Kingdom and any chassis, hull or airframe identification number and engine number,
- (e) the consideration for the transaction in pursuance of which the new means of transport was acquired,
- (f) the name and address of the supplier in the member State from which the new means of transport was acquired,
- (g) the place where the new means of transport can be inspected, and
- (h) the date of notification.

(3) The notification shall include a declaration, signed by the person who is required to make the notification or a person authorised in that behalf in writing, that all the information entered in it is true and complete.

(4) The notification shall be made at, or sent to, any office designated by the Commissioners for the receipt of such notifications.

(5) Any person required to notify the Commissioners of an acquisition of a new means of transport shall pay the VAT due upon the acquisition at the time of notification or within 30 days of the Commissioners issuing a written demand to him detailing the VAT due and requesting payment.

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Changes to legislation: There are currently no known outstanding effects for the The Value Added Tax Regulations 1995. (See end of Document for details)

Commencement Information

1119 Reg. 148 in force at 20.10.1995, see [reg. 1](#)

Refunds in relation to new means of transport

149. A claimant shall make his claim in writing no earlier than one month and no later than 14 days prior to making the supply of the new means of transport by virtue of which the claim arises.

150. The claim shall be made at, or sent to, any office designated by the Commissioners for the receipt of such claims.

151. The claim shall contain the following information—

- (a) the name, current address and telephone number of the claimant,
- (b) the place where the new means of transport is kept and the times when it may be inspected,
- (c) the name and address of the person who supplied the new means of transport to the claimant,
- (d) the price paid by the claimant for the supply to him of the new means of transport excluding any VAT,
- (e) the amount of any VAT paid by the claimant on the supply to him of the new means of transport,
- (f) the amount of any VAT paid by the claimant on the acquisition of the new means of transport from another member State or on its importation from a place outside the member States,
- (g) the name and address of the proposed purchaser, the member State to which the new means of transport is to be removed, and the date of the proposed purchase,
- (h) the price to be paid by the proposed purchaser,
- (i) a full description of the new means of transport including, in the case of motorised land vehicles, its mileage since its first entry into service and, in the case of ships and aircraft, its hours of use since its first entry into service,
- (j) in the case of a ship, its length in metres,
- (k) in the case of an aircraft, its take-off weight in kilograms,
- (l) in the case of a motorised land vehicle powered by a combustion engine, its displacement or cylinder capacity in cubic centimetres, and in the case of an electrically propelled motorised land vehicle, its maximum power output in kilowatts, described to the nearest tenth of a kilowatt, and
- (m) the amount of the refund being claimed.

152. The claim shall be accompanied by the following documents—

- (a) the invoice issued by the person who supplied the new means of transport to the claimant or such other documentary evidence of purchase as is satisfactory to the Commissioners,
- (b) in respect of a new means of transport imported from a place outside the member States by the claimant, documentary evidence of its importation and of the VAT paid thereon, and
- (c) in respect of a new means of transport acquired by the claimant from another member State, documentary evidence of the VAT paid thereon.

153. The claim shall include a declaration, signed by the claimant or a person authorised by him in that behalf in writing, that all the information entered in or accompanying it is true and complete.

154. The claim shall be completed by the submission to the Commissioners of—

- (a) the sales invoice or similar document identifying the new means of transport and showing the price paid by the claimant's customer, and
- (b) documentary evidence that the new means of transport has been removed to another member State.

Commencement Information

- I120** Reg. 149 in force at 20.10.1995, see [reg. 1](#)
- I121** Reg. 150 in force at 20.10.1995, see [reg. 1](#)
- I122** Reg. 151 in force at 20.10.1995, see [reg. 1](#)
- I123** Reg. 152 in force at 20.10.1995, see [reg. 1](#)
- I124** Reg. 153 in force at 20.10.1995, see [reg. 1](#)
- I125** Reg. 154 in force at 20.10.1995, see [reg. 1](#)

Supplies of new means of transport to persons departing to another member State

155. The Commissioners may, on application by a person who is not taxable in another member State and who intends—

- (a) to purchase a new means of transport in the United Kingdom, and
- (b) to remove that new means of transport to another member State,

permit that person to purchase a new means of transport without payment of VAT, for subsequent removal to another member State within 2 months of the date of supply and its supply, subject to such conditions as they may impose, shall be zero-rated.

Commencement Information

- I126** Reg. 155 in force at 20.10.1995, see [reg. 1](#)

F433 PART XVIII

BAD DEBT RELIEF (THE OLD SCHEME)

Textual Amendments

- F433** Pt. 18 revoked (1.5.1997) by [The Value Added Tax \(Amendment\) Regulations 1997 \(S.I. 1997/1086\)](#), regs. 1, [9](#)

Status: Point in time view as at 01/01/2011.

Changes to legislation: There are currently no known outstanding effects for the The Value Added Tax Regulations 1995. (See end of Document for details)

- (c) the date and number of any VAT invoice issued in relation to each relevant supply;
- (d) the amount of the consideration for each relevant supply which the claimant has written off as a bad debt;
- (e) the amount of the claim.]

Textual Amendments

F440 Reg. 166A and heading inserted (1.5.1997) by *The Value Added Tax (Amendment) Regulations 1997* (S.I. 1997/1086), regs. 1, **12**

F441 Words in reg. 166A inserted (1.1.2003) by *The Value Added Tax (Amendment) (No. 4) Regulations 2002* (S.I. 2002/3027), regs. 1, **3**

Evidence required of the claimant in support of the claim

167. Save as the Commissioners may otherwise allow, the claimant, before he makes a claim, shall hold in respect of each relevant supply—

- (a) either—
 - (i) a copy of any VAT invoice which was provided in accordance with Part III of these Regulations, or
 - (ii) where there was no obligation to provide a VAT invoice, a document which shows the time, nature and purchaser of the relevant goods and services, and the consideration therefor,
- (b) records or any other documents showing that he has accounted for and paid the VAT thereon, and
- (c) records or any other documents showing that the consideration has been written off in his accounts as a bad debt.

Commencement Information

I129 Reg. 167 in force at 20.10.1995, see **reg. 1**

Records required to be kept by the claimant

168. —

- (1) Any person who makes a claim to the Commissioners shall keep a record of that claim.
- (2) Save as the Commissioners may otherwise allow, the record referred to in paragraph (1) above shall consist of the following information in respect of each claim made—
 - (a) in respect of each relevant supply for that claim—
 - (i) the amount of VAT chargeable,
 - (ii) the prescribed accounting period in which the VAT chargeable was accounted for and paid to the Commissioners,
 - (iii) the date and number of any invoice issued in relation thereto or, where there is no such invoice, such information as is necessary to identify the time, nature and purchaser thereof, and
 - (iv) any payment received therefor,
 - (b) the outstanding amount to which the claim relates,

where—

A is the total of the interest on the credit provided under the agreement, less any rebate of interest granted, less any interest attributable to any unpaid instalments prior to the termination; and

B is the total amount payable under the agreement being the total of *A* plus the total for the goods.

“Total for the goods” means the amount due for the goods under the agreement, less any reduction as a consequence of termination, less any amount upon which interest is not charged, less any part of the total due for the goods which is unpaid at the time of termination.

- (b) in respect of payments made after termination of the agreement, between the supply of goods and the supply of credit according to the proportion of the balances due at the time the payment is made.

(7) Where an agreement provides for a variation of the rate of interest after the date of the making of the agreement then, for the purposes of the calculation in paragraph (5), it shall be assumed that the rate is not varied.]]

Textual Amendments

F445 Reg. 170A inserted (1.1.2003) by The Value Added Tax (Amendment) (No. 4) Regulations 2002 (S.I. 2002/3027), regs. 1, 5

F446 Reg. 170A substituted (1.3.2007) by The Value Added Tax (Amendment) Regulations 2007 (S.I. 2007/313), regs. 1, 3

Repayment of a refund

171. —

[^{F447}(1) Where a claimant—

- (a) has received a refund upon a claim, and
- (b) either—
- (i) a payment for the relevant supply is subsequently received, or
 - (ii) a payment is, by virtue of regulation 170 or 170A, treated as attributed to the relevant supply, or
 - (iii) the consideration for any relevant supply upon which the claim to refund is based is reduced after the claim is made,

he shall repay to the Commissioners such an amount as equals the amount of the refund, or the balance thereof, multiplied by a fraction of which the numerator is the amount so received or attributed, and the denominator is the amount of the outstanding consideration, or such an amount as is equal to the negative entry made in the VAT allowable portion of his VAT account as provided for in regulation 38.]

(2) The claimant shall repay to the Commissioners the amount referred to in paragraph (1) above by including that amount in the box opposite the legend “VAT due in this period on sales and other outputs” on his return for the prescribed accounting period in which the payment is received.

(3) Save as the Commissioners may otherwise allow, where the claimant fails to comply with the requirements of regulation 167, 168, 169 [^{F448}, 170 or 170A] he shall repay to the Commissioners the amount of the refund obtained by the claim to which the failure to comply relates; and he shall repay the amount by including that amount in the box opposite the legend “VAT due in this period on

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Changes to legislation: There are currently no known outstanding effects for the The Value Added Tax Regulations 1995. (See end of Document for details)

- (ii) the total of any such payments as have been received does not exceed the non-profit element,
 - the profit element; or
 - (b) where the total of such payments as have been received exceeds the non-profit element, the amount (if any) by which the consideration for the relevant supply exceeds that total.
- (4) In this regulation—
- “non-profit element” means the consideration for the relevant supply less the profit element;
 - “profit element” means the sum of—
 - (a) the value of the relevant supply; and
 - (b) the VAT chargeable on the relevant supply.]

Textual Amendments

F456 Regs. 172A, 172B inserted (1.5.1997) by [The Value Added Tax \(Amendment\) Regulations 1997 \(S.I. 1997/1086\)](#), regs. 1, **15**

[^{F457}PART XIXA

REPAYMENT OF INPUT TAX WHERE CLAIM MADE UNDER PART XIX

Textual Amendments

F457 Pt. 19A inserted (1.5.1997) by [The Value Added Tax \(Amendment\) Regulations 1997 \(S.I. 1997/1086\)](#), regs. 1, **16**

[^{F458}Application

172ZC. This Part applies where the relevant supply was made before 1st January 2003.]

Textual Amendments

F458 Reg. 172ZC inserted (1.1.2003) by [The Value Added Tax \(Amendment\) \(No. 4\) Regulations 2002 \(S.I. 2002/3027\)](#), regs. 1, **7**

Interpretation of Part XIXA

172C. Any expression used in this Part to which a meaning is given in Part XIX of these Regulations shall, unless the contrary intention appears, have the same meaning in this Part as it has in that Part.

Repayment of input tax

172D.—(1) Where—

- (a) a claim has been made; and
- (b) the purchaser has claimed deduction of the whole or part of the VAT on the relevant supply as input tax (“the deduction”),

the purchaser shall make an entry in his VAT account in accordance with paragraphs (2) and (3) below.

(2) The purchaser shall make a negative entry in the VAT allowable portion of that part of his VAT account which relates to the prescribed accounting period of his in which the claim has been made.

(3) The amount of the negative entry referred to in paragraph (2) above shall be such amount as is found by multiplying the amount of the deduction by a fraction of which the numerator is the amount of the claim and the denominator is the total VAT chargeable on the relevant supply.

(4) None of the circumstances to which this regulation applies is to be regarded as giving rise to any application of regulations 34 and 35.

Restoration of an entitlement to credit for input tax

172E.—(1) Where—

- (a) the purchaser has made an entry in his VAT account in accordance with regulation 172D (“the input tax repayment”);
- (b) he has made the return for the prescribed accounting period concerned, and has paid any VAT payable by him in respect of that period; and
- (c) the claimant has made a repayment in accordance with regulation 171 in relation to the claim concerned,

the purchaser shall make an entry in his VAT account in accordance with paragraphs (2) and (3) below.

(2) The purchaser shall make a positive entry in the VAT allowable portion of that part of his VAT account which relates to the prescribed accounting period of his in which the repayment has been made.

(3) The amount of the positive entry referred to in paragraph (2) above shall be such amount as is found by multiplying the amount of the input tax repayment by a fraction of which the numerator is the amount repaid by the claimant and the denominator is the total amount of the claim.

(4) None of the circumstances to which this regulation applies is to be regarded as giving rise to any application of regulations 34 and 35.]

[^{F459}PART XIXB

REPAYMENT OF INPUT TAX WHERE CONSIDERATION NOT PAID

Textual Amendments

F459 Pt. 19B inserted (1.1.2003) by [The Value Added Tax \(Amendment\) \(No. 4\) Regulations 2002 \(S.I. 2002/3027\)](#), regs. 1, 8

Application

172F. This Part applies where the supply in relation to which a person has claimed credit for input tax was made on or after 1st January 2003.

Interpretation

172G. In this Part—

“relevant period” means 6 months following—

repayments of VAT in accordance with the refund Directive before the expiry of the adjustment year.

(4) In this regulation “adjustment year” means the repayment year beginning immediately after the repayment year in which the repayment period of the original claim occurred or would have occurred if the original claim had been made in respect of the repayment period when the VAT was incurred.

Textual Amendments

F469 Regs. 173A-173X inserted (1.1.2010) by [The Value Added Tax \(Amendment\) \(No. 5\) Regulations 2009 \(S.I. 2009/3241\)](#), regs. 1, **12** (with reg. 18)

Persons to whom this Part applies

173E. This Part applies to a person who is established in and who carries on business in a member State other than the United Kingdom for the whole of a repayment period other than a person who—

- (a) is established in the United Kingdom during any part of the repayment period;
- (b) makes supplies in the United Kingdom of goods or services during any part of the repayment period other than—
 - (i) transport of freight outside the United Kingdom or to or from a place outside the United Kingdom or services ancillary thereto,
 - (ii) services where the VAT on the supply is payable solely by the person to whom the services are supplied in accordance with the provisions of section 8 of the Act (reverse charge on supplies received from abroad), and
 - (iii) goods where the VAT on the supply is payable solely by the person to whom they are supplied as provided for in section 9A (reverse charge on gas and electricity supplied by persons outside the United Kingdom) or 14 (acquisitions from persons belonging in other member States) of the Act;
- (c) during any part of the repayment period, does not undertake or intend to undertake transactions in the member State where that person is established which afford that person a right of deduction in accordance with Articles 168 and 169 of the principal VAT Directive as applied in the member State where that person is established;
- (d) makes or intends to make supplies in the repayment period upon which VAT was not or would not be charged by virtue of their being within the exemption afforded to small enterprises under Articles 284, 285, 286 and 287 of the principal VAT Directive as applied in the member State in which that person is established; or
- (e) makes or intends to make supplies in the repayment period which are covered by the flat-rate scheme for farmers provided for in Articles 295 to 305 of the principal VAT Directive as applied in the member State in which that person is established.

Textual Amendments

F469 Regs. 173A-173X inserted (1.1.2010) by [The Value Added Tax \(Amendment\) \(No. 5\) Regulations 2009 \(S.I. 2009/3241\)](#), regs. 1, **12** (with reg. 18)

Requirements for a claim for repayment of VAT

173I. A claim for repayment of VAT under this Part must be made by means of a repayment application that—

- (a) is addressed to the United Kingdom;
- (b) contains the information required in regulations 173L and 173M completed in the English language;
- (c) is submitted at any time before the day specified in regulation 173P using the electronic portal set up by the claimant's member State for the purpose of facilitating repayments of VAT in accordance with the refund Directive.

173J. Where a claim for repayment of VAT under this Part comprises or includes a claim made in respect of a supply or importation described in regulation 173K, copies of such documentary evidence of an entitlement to deduct VAT as could be required of a taxable person claiming deduction of input tax in accordance with regulation 29 (requirements in connection with making claims for deduction of input tax) must be submitted using the electronic portal described in regulation 173I(c) at the same time as the repayment application in respect of that VAT.

173K. The supplies or importations referred to in regulation 173J are—

- (a) a supply of goods or services of a value equal to or exceeding £750;
- (b) an importation of goods of a value equal to or exceeding £750; and
- (c) a supply or importation of fuel of a value equal to or exceeding £200.

Textual Amendments

F469 Regs. 173A-173X inserted (1.1.2010) by [The Value Added Tax \(Amendment\) \(No. 5\) Regulations 2009 \(S.I. 2009/3241\)](#), regs. 1, **12** (with reg. 18)

Contents of a repayment application

173L.—(1) A repayment application must contain the following information—

- (a) the claimant's name and full address;
- (b) an address for contact by electronic means;
- (c) a description of the claimant's business activity for which the goods or services were acquired by reference to the appropriate harmonised code contained in revision 2 of the common statistical classification of economic activities referred to as "NACE Rev. 2" established by the European Parliament and Council Regulation [\(EC\) No 1983/2006](#);
- (d) the repayment period covered by the application;
- (e) a declaration that the claimant has made no supply falling within paragraph (2) below during any part of the repayment period;
- (f) the VAT identification number or tax reference number by which the claimant is identified for VAT purposes in the claimant's member State in accordance with Articles 214, 239 or 240 of the principal VAT Directive;
- (g) the details of the bank account to which the claimant requests the Commissioners to repay the VAT claimed; and
- (h) the information described in regulation 173M in relation to every importation of goods or supply in respect of which repayment of VAT charged thereon is claimed in the repayment application.

Textual Amendments

F469 Regs. 173A-173X inserted (1.1.2010) by [The Value Added Tax \(Amendment\) \(No. 5\) Regulations 2009 \(S.I. 2009/3241\)](#), regs. 1, **12** (with reg. 18)

Extension of the relevant period by virtue of the making of a request for information or a document

173T.—(1) Where a request for information or the production of a document as described in regulation 173R is made, then, subject to paragraphs (2), (3) and (4) below and regulation 173U, the relevant period applicable to the VAT in question shall end on the expiry of 2 months from the day on which the Commissioners receive the information or document requested.

(2) Where, by virtue of paragraph (1) above, the relevant period applicable to any VAT would end before the expiry of 6 months from the date on which the Commissioners received the repayment application for the VAT in question, the relevant period shall end on the expiry of that 6-month period.

(3) Where, by virtue of paragraph (1) above, the relevant period applicable to any VAT would end after the expiry of 8 months from the day on which the Commissioners received the repayment application for the VAT in question, the relevant period shall end on the expiry of that 8 month period.

(4) Where the Commissioners do not receive the information or a document requested before the expiry of 1 month from the date on which the request reaches the intended recipient of it, the end of the relevant period shall be determined in accordance with this regulation as if the Commissioners had received the requested information or document upon the expiry of that 1-month period.

Textual Amendments

F469 Regs. 173A-173X inserted (1.1.2010) by [The Value Added Tax \(Amendment\) \(No. 5\) Regulations 2009 \(S.I. 2009/3241\)](#), regs. 1, **12** (with reg. 18)

Extension of the relevant period where more than one request for information or a document is made in relation to the same VAT

173U.—(1) This regulation applies to determine the end of the relevant period applicable to any VAT where more than one request for information or the production of a document as described in regulation 173R is made in relation to that VAT.

(2) Where the requests are—

- (a) made on different days; or
- (b) received by the recipients of the requests on different days,

the end of the relevant period shall be determined in accordance with regulation 173T as if all of the requests were comprised in a single request (“composite request”) made on the latest day when a request forming part of the composite request was made.

(3) The question whether information or a document requested by a composite request has been provided to the Commissioners within the 1-month period mentioned in regulation 173T(4) shall be determined as if the composite request had been received on the latest day on which any of the requests forming part of the composite request is received.

(b) that person was not entitled to that amount under that regulation, the amount paid shall be treated for the purposes of the Act as if it had been an amount paid to that person by way of interest under section 78 of the Act (interest in certain cases of official error) in circumstances where that person was not entitled to that amount under that section.]

Textual Amendments

F469 Regs. 173A-173X inserted (1.1.2010) by [The Value Added Tax \(Amendment\) \(No. 5\) Regulations 2009](#) (S.I. 2009/3241), regs. 1, **12** (with reg. 18)

F470 ...

F470 **174.**

Textual Amendments

F470 Regs. 174-179 and words in heading omitted (1.1.2010) by virtue of [The Value Added Tax \(Amendment\) \(No. 5\) Regulations 2009](#) (S.I. 2009/3241), regs. 1, **13** (with reg. 18)

F470 ...

F470 **175.**

Textual Amendments

F470 Regs. 174-179 and words in heading omitted (1.1.2010) by virtue of [The Value Added Tax \(Amendment\) \(No. 5\) Regulations 2009](#) (S.I. 2009/3241), regs. 1, **13** (with reg. 18)

F470 ...

F470 **176.**

Textual Amendments

F470 Regs. 174-179 and words in heading omitted (1.1.2010) by virtue of [The Value Added Tax \(Amendment\) \(No. 5\) Regulations 2009](#) (S.I. 2009/3241), regs. 1, **13** (with reg. 18)

F470 ...

F470 **177.**

Textual Amendments

F470 Regs. 174-179 and words in heading omitted (1.1.2010) by virtue of [The Value Added Tax \(Amendment\) \(No. 5\) Regulations 2009](#) (S.I. 2009/3241), regs. 1, **13** (with reg. 18)

Status: Point in time view as at 01/01/2011.

Changes to legislation: There are currently no known outstanding effects for the The Value Added Tax Regulations 1995. (See end of Document for details)

Commencement Information

I139 Reg. 185 in force at 20.10.1995, see [reg. 1](#)

Repayments of VAT

186. Subject to the other provisions of this Part a trader shall be entitled to be repaid VAT charged on goods imported by him into the United Kingdom in respect of which no other relief is available or on supplies made to him in the United Kingdom if that VAT would be input tax of his were he a taxable person in the United Kingdom.

Commencement Information

I140 Reg. 186 in force at 20.10.1995, see [reg. 1](#)

VAT representatives

187. The Commissioners may, as a condition of allowing a repayment under this Part, require a trader to appoint a VAT representative to act on his behalf.

Commencement Information

I141 Reg. 187 in force at 20.10.1995, see [reg. 1](#)

Persons to whom this Part applies

188. —

(1) Save as the Commissioners may otherwise allow, a trader to whom this Part applies who is established in a third country having a comparable system of turnover taxes will not be entitled to any refunds under this Part unless that country provides reciprocal arrangements for refunds to be made to taxable persons who are established in the United Kingdom.

(2) This Part shall apply to any trader but not if during any period determined under regulation 192—

- (a) he was established in any of the member States of the European Community, or
- (b) he made supplies in the United Kingdom of goods or services other than—
 - (i) transport of freight outside the United Kingdom to or from a place outside the United Kingdom or services ancillary thereto,
 - (ii) services where the VAT on the supply is payable solely by the person to whom they are supplied in accordance with the provisions of section 8 of the Act, and
 - (iii) goods where the VAT on the supply is payable solely by the person to whom they are supplied.

Commencement Information

I142 Reg. 188 in force at 20.10.1995, see [reg. 1](#)

Status: Point in time view as at 01/01/2011.

Changes to legislation: There are currently no known outstanding effects for the The Value Added Tax Regulations 1995. (See end of Document for details)

Duration of period

199. For the purpose of determining the duration of the periods referred to in regulation 198, the following rules shall apply—

- (a) in the case of the period mentioned in regulation 198(a), it shall be taken to have begun on the date when the Commissioners first raised the inquiry and it shall be taken to have ended on the date when they received a complete answer to their inquiry;
- (b) in the case of the period mentioned in regulation 198(b), it shall be taken to have begun on the date when the error or omission first came to the notice of the Commissioners and it shall be taken to have ended on the date when the error or omission was corrected by them;
- (c) in the case of the period mentioned in regulation 198(c)(i), it shall be determined in accordance with a certificate of the Commissioners under paragraph 14(1)(b) of Schedule 11 to the Act;
- (d) in the case of the period mentioned in regulation 198(c)(ii), it shall be taken to have begun on the date of the service of the written notice of the Commissioners which required the production of documents or the giving of security, and it shall be taken to have ended on the date when they received the required documents or the required security.

Commencement Information

1152 Reg. 199 in force at 20.10.1995, see [reg. 1](#)

PART XXIII

REFUNDS TO “DO-IT-YOURSELF” BUILDERS

Interpretation of Part XXIII

200. In this Part—

“claim” means a claim for refund of VAT made pursuant to section 35 of the Act, and “claimant” shall be construed accordingly;

“relevant building” means a building in respect of which a claimant makes a claim.

Commencement Information

1153 Reg. 200 in force at 20.10.1995, see [reg. 1](#)

Method and time for making claim

201. A claimant shall make his claim in respect of a relevant building by—

- (a) furnishing to the Commissioners no later than 3 months after the completion of the building [F479the relevant form for the purposes of the claim] containing the full particulars required therein, and
- (b) at the same time furnishing to them—
 - (i) a certificate of completion obtained from a local authority or such other documentary evidence of completion of the building as is satisfactory to the Commissioners,

- (ii) an invoice showing the registration number of the person supplying the goods, whether or not such an invoice is a VAT invoice, in respect of each supply of goods on which VAT has been paid which have been incorporated into the building or its site,
- (iii) in respect of imported goods which have been incorporated into the building or its site, documentary evidence of their importation and of the VAT paid thereon,
- (iv) documentary evidence that planning permission for the building had been granted, and
- (v) a certificate signed by a quantity surveyor or architect that the goods shown in the claim were or, in his judgement, were likely to have been, incorporated into the building or its site.

Textual Amendments

F479 Words in [reg. 201\(a\)](#) substituted (15.8.2009) by [The Value Added Tax \(Amendment\) \(No. 3\) Regulations 2009 \(S.I. 2009/1967\)](#), [regs. 1, 7](#)

Commencement Information

I154 Reg. 201 in force at 20.10.1995, see [reg. 1](#)

^{F480}**201A.** The relevant form for the purposes of a claim is—

- (a) Form 11A in Schedule 1 to these Regulations where the claim relates to works described in section 35(1A)(a) or (b) of the Act;
- (b) Form 11B in Schedule 1 to these Regulations where the claim relates to works described in section 35(1A)(c) of the Act.]

Textual Amendments

F480 [Reg. 201A](#) inserted (15.8.2009) by [The Value Added Tax \(Amendment\) \(No. 3\) Regulations 2009 \(S.I. 2009/1967\)](#), [regs. 1, 8](#)

PART XXIV

FLAT-RATE SCHEME FOR FARMERS

Interpretation of Part XXIV

202. In this Part—

“certified person” means a person certified as a flat-rate farmer for the purposes of the flat-rate scheme under regulation 203 and “certified” and “certification” shall be construed accordingly.

Commencement Information

I155 Reg. 202 in force at 20.10.1995, see [reg. 1](#)

Flat-rate scheme

203. —

Status: Point in time view as at 01/01/2011.

Changes to legislation: There are currently no known outstanding effects for the The Value Added Tax Regulations 1995. (See end of Document for details)

(1) The Commissioners shall, if the conditions mentioned in regulation 204 are satisfied, certify that a person is a flat-rate farmer for the purposes of the flat-rate scheme (hereinafter in this Part referred to as “the scheme”).

(2) Where a person is for the time being certified in accordance with this regulation, then (whether or not that person is a taxable person) any supply of goods or services made by him in the course or furtherance of the relevant part of his business shall be disregarded for the purpose of determining whether he is, has become or has ceased to be liable or entitled to be registered under Schedule 1 to the Act.

Commencement Information

I156 Reg. 203 in force at 20.10.1995, see [reg. 1](#)

Admission to the scheme

204. The conditions mentioned in regulation 203 are that—

- (a) the person satisfies the Commissioners that he is carrying on a business involving one or more designated activities,
- (b) he has not in the 3 years preceding the date of his application for certification—
 - (i) been convicted of any offence in connection with VAT,
 - (ii) made any payment to compound proceedings in respect of VAT under section 152 of the Customs and Excise Management Act 1979(25) as applied by section 72(12) of the Act,
 - (iii) been assessed to a penalty under section 60 of the Act,
- (c) he makes an application for certification on the form numbered 14 in Schedule 1 to these Regulations, and
- (d) he satisfies the Commissioners that he is a person in respect of whom the total of the amounts as are mentioned in regulation 209 relating to supplies made in the year following the date of his certification will not exceed by £3,000 or more the amount of input tax to which he would otherwise be entitled to credit in that year.

Commencement Information

I157 Reg. 204 in force at 20.10.1995, see [reg. 1](#)

Certification

205. Where the Commissioners certify that a person is a flat-rate farmer for the purposes of the scheme, the certificate issued by the Commissioners shall be effective from—

- (a) the date on which the application for certification is received by the Commissioners,
- (b) with the agreement of the Commissioners, an earlier date to that mentioned in sub-paragraph (a) above, or
- (c) if the person so requests, a later date which is no more than 30 days after the date mentioned in sub-paragraph (a) above,

provided that any certificate shall not be effective from a date before the date when the person's registration under Schedule 1 or 3 to the Act is cancelled and a certificate shall not be effective from a date earlier than 1st January 1993.

Commencement Information

I158 Reg. 205 in force at 20.10.1995, see [reg. 1](#)

Cancellation of certificates

206. —

- (1) The Commissioners may cancel a person's certificate in any case where—
- (a) a statement false in a material particular was made by him or on his behalf in relation to his application for certification,
 - (b) he has been convicted of an offence in connection with VAT or has made a payment to compound such proceedings under section 152 of the Customs and Excise Management Act 1979 as applied by section 72(12) of the Act,
 - (c) he has been assessed to a penalty under section 60 of the Act,
 - (d) he ceases to be involved in designated activities,
 - (e) he dies, becomes bankrupt or incapacitated,
 - (f) he is liable to be registered under Schedule 1 or 3 to the Act,
 - (g) he makes an application in writing for cancellation,
 - (h) he makes an application in writing for registration under Schedule 1 or 3 to the Act, and such application shall be deemed to be an application for cancellation of his certificate,
 - (i) they consider it is necessary to do so for the protection of the revenue, or
 - (j) they are not satisfied that any of the grounds for cancellation of a certificate mentioned in sub-paragraphs (a) to (h) above do not apply.
- (2) Where the Commissioners cancel a person's certificate in accordance with paragraph (1) above, the effective date of the cancellation shall be for each of the cases mentioned respectively in that paragraph as follows—
- (a) the date when the Commissioners discover that such a statement has been made,
 - (b) the date of his conviction or the date on which a sum is paid to compound proceedings,
 - (c) 30 days after the date when the assessment is notified,
 - (d) the date of the cessation of designated activities,
 - (e) the date on which he died, became bankrupt or incapacitated,
 - (f) the effective date of registration,
 - (g) not less than one year after the effective date of his certificate or such earlier date as the Commissioners may agree,
 - (h) not less than one year after the effective date of his certificate or such earlier date as the Commissioners may agree,
 - (i) the date on which the Commissioners consider a risk to the revenue arises, or
 - (j) the date mentioned in sub-paragraphs (a) to (h) above as appropriate.

(1) The amount referred to in section 54(4) of the Act and included in the consideration for any taxable supply which is made—

- (a) in the course or furtherance of the relevant part of his business by a person who is for the time being certified under this part,
- (b) at a time when that person is not a taxable person, and
- (c) to a taxable person,

shall be treated, for the purpose of determining the entitlement of the person supplied to credit under sections 25 and 26 of the Act, as VAT on a supply to that person.

(2) Subject to paragraph (3) below and save as the Commissioners may otherwise allow or direct generally or specially, a taxable person claiming entitlement to a credit of an amount as is mentioned in paragraph (1) above shall do so on the return made by him for the prescribed accounting period in which the invoice specified in paragraph (3) below is issued by a certified person.

(3) A taxable person shall not be entitled to credit as is mentioned in paragraph (1) above unless there has been issued an invoice containing the following particulars—

- (a) an identifying number,
- (b) the name, address and certificate number of the certified person by whom the invoice is issued,
- (c) the name and address of the person to whom the goods or services are supplied,
- (d) the time of the supply,
- (e) a description of the goods or services supplied,
- (f) the consideration for the supply or, in the case of any increase or decrease in the consideration, the amount of that increase or decrease excluding the amount as is mentioned in paragraph (1) above, and
- (g) the amount as is mentioned in paragraph (1) above which amount shall be entitled “Flat-rate Addition” or “FRA”.

Commencement Information

I162 Reg. 209 in force at 20.10.1995, see [reg. 1](#)

Duty to keep records

210. —

(1) Every certified person shall, for the purposes of the scheme, keep and preserve the following records—

- (a) his business and accounting records, and
- (b) copies of all invoices specified in regulation 209(3) issued by him or on his behalf.

(2) Every certified person shall comply with such requirements with respect to the keeping, preservation and production of records as the Commissioners may notify to him.

(3) Every certified person shall keep and preserve such records as are required by paragraph (1) above or by notification for a period of 6 years or such lesser period as the Commissioners may allow.

Commencement Information

I163 Reg. 210 in force at 20.10.1995, see [reg. 1](#)

Diligence

213. In Scotland, the following provisions shall have effect—

- (a) where the Commissioners are empowered to apply to the Sheriff for a warrant to authorise a Sheriff Officer to recover any amount of VAT or any sum recoverable as if it were VAT remaining due and unpaid, any application, and any certificate required to accompany that application, may be made on their behalf by a Collector of Customs and Excise or an officer of rank not below that of [^{F484}Job Band 7];
- (b) where, during the course of a poinding and sale in accordance with Schedule 5 to the Debtors (Scotland) Act 1987(26) the Commissioners are entitled as a creditor to do any acts, then any such acts, with the exception of the exercise of the power contained in paragraph 18(3) of that Schedule, may be done on their behalf by a Collector of Customs and Excise or an officer of rank not below that of [^{F485}Job Band 7].

Textual Amendments

F484 Words in [reg. 213\(a\)](#) substituted (2.9.1996) by [The Value Added Tax \(Amendment\) \(No. 4\) Regulations 1996 \(S.I. 1996/2098\)](#), [regs. 1, 4](#)

F485 Words in [reg. 213\(b\)](#) substituted (2.9.1996) by [The Value Added Tax \(Amendment\) \(No. 4\) Regulations 1996 \(S.I. 1996/2098\)](#), [regs. 1, 4](#)

Commencement Information

I165 [Reg. 213](#) in force at 20.10.1995, see [reg. 1](#)

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Leonard Harris
Commissioner of Customs and Excise

Status:

Point in time view as at 01/01/2011.

Changes to legislation:

There are currently no known outstanding effects for the The Value Added Tax Regulations 1995.