

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations appoint 1st May 2023 as the day on which subsections (1) to (3) of section 71 of the Finance Act 2022 (c. 3) come into force and make a transitional provision that those subsections shall have effect in relation to supplies of goods on or after 1st May 2023.

Section 71 (margin schemes and removal or export of goods: zero-rating) of the Finance Act 2022 amends section 30 (zero-rating) of, and paragraph 3 (movements between Northern Ireland and Great Britain) of Schedule 9ZB to, the Value Added Tax Act 1994 (VATA) (c. 23). The amendments provide that the zero-rate will not apply to a supply of goods removed to Northern Ireland or exported where, in respect of that supply, the supplier has exercised an option under an order made under section 50A (margin schemes) of VATA. Section 50A gives the Treasury the power to provide, by order, for a taxable person to be entitled to opt to account for VAT on the profit margin on a supply of goods instead of by reference to their value.

A Tax Information and Impact Note has not been prepared for these Regulations as they give effect to previously announced policy and are appointed day regulations.