

Status: Point in time view as at 17/10/1991. This version of this schedule contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994), SCHEDULE 1. (See end of Document for details)

SCHEDULES

SCHEDULE 1

Section 2(5).

REGISTRATION

Liability to be registered

- ^{F1} [Subject to sub-paragraphs (3) to (5) below, a person who makes taxable supplies but ^{F2}(1) is not registered becomes liable to be registered-
- (a) at the end of any month, if the value of his taxable supplies in the period of one year then ending has exceeded [^{F3}£35,000]; or
 - (b) at any time, if there are reasonable grounds for believing that the value of his taxable supplies in the period of thirty days then beginning will exceed [^{F4}£35,000].
- (2) Where a business carried on by a taxable person is transferred to another person as a going concern and the transferee is not registered at the time of the transfer, then, subject to sub-paragraphs (3) to (5) below, the transferee becomes liable to be registered at that time if-
- (a) the value of his taxable supplies in the period of one year ending at the time of the transfer has exceeded [^{F5}£35,000]; or
 - (b) there are reasonable grounds for believing that the value of his taxable supplies in the period of thirty days beginning at the time of the transfer will exceed [^{F6}£35,000].
- (3) A person does not become liable to be registered by virtue of sub-paragraph (1) (a) or (2)(a) above if the Commissioners are satisfied that the value of his taxable supplies in the period of one year beginning at the time at which, apart from this sub-paragraph, he would become liable to be registered will not exceed [^{F7}£33,600].]
- (4) In determining the value of a person's supplies for the purposes of sub-paragraph (1) (a) [^{F8}or (2)(a)]above, supplies made at a time when he was previously registered shall be disregarded if-
- (a) his registration was cancelled otherwise than under paragraph 10 below, and
 - (b) the Commissioners are satisfied that before his registration was cancelled he had given them all the information they needed in order to determine whether to cancel the registration.
- (5) In determining the value of a person's supplies for the purposes of sub-paragraph (1) [^{F9}or (2)]above, supplies of goods [^{F10}or services]that are capital assets of the business in the course or furtherance of which they are supplied shall be disregarded.
- [Where, apart from this sub-paragraph, an interest in, right over or licence to occupy ^{F11}(6) any land would under sub-paragraph (5) above be disregarded for the purposes of

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sub-paragraph (1) [^{F12}or (2)]above, it shall not be if it is supplied on a taxable supply which is not zero-rated.]]

Textual Amendments

- F1** Sch. 1 para. 1 substituted by Finance Act 1987 (c. 16, SIF 40:2), s. 14(2)
- F2** Para. 1(1)–(3) substituted by Finance Act 1990 (c. 29, SIF 40:2), s. 10(2)(9)
- F3** Words in Sch. 1 para. 1(1)(a) substituted (20.3.1991) by S.I. 1991/738, art. 2(a)
- F4** Words in Sch. 1 para. 1(1)(b) substituted (20.3.1991) by S.I. 1991/738, art. 2(a)
- F5** Words in Sch. 1 para. 1(2)(a) substituted (20.3.1991) by S.I. 1991/738, art. 2(a)
- F6** Words in Sch. 1 para. 1(2)(b) substituted (20.3.1991) by S.I. 1991/738, art. 2(a)
- F7** Words in Sch. 1 para. 1(3) substituted (1.5.1991) by S.I. 1991/738, art. 2(b)
- F8** Words inserted by Finance Act 1990 (c. 29, SIF 40:2), s. 10(3)(9)
- F9** Words inserted by Finance Act 1990 (c. 29, SIF 40:2), s. 10(4)(9)
- F10** Words inserted by Finance Act 1988 (c. 39, SIF 40:2), s. 14(2)
- F11** Para. 1(6) added by Finance Act 1989 (c. 26, SIF 40:2), s. 18, Sch. 3 para. 10(a)
- F12** Words inserted by Finance Act 1990 (c. 29, SIF 40:2), s. 10(5)(9)

- [^{F13}1A (1) Without prejudice to paragraph 1 above, if the Commissioners make a direction under this paragraph, the persons named in the direction shall be treated as a single taxable person carrying on the activities of a business described in the direction and that taxable person shall be liable to be registered with effect from the date of the direction or, if the direction so provides, from such later date as may be specified therein.
- (2) The Commissioners shall not make a direction under this paragraph naming any person unless they are satisfied-
- (a) that he is making or has made taxable supplies; and
 - (b) that the activities in the course of which he makes or made those taxable supplies form only part of certain activities which should properly be regarded as those of the business described in the direction, the other activities being carried on concurrently or previously (or both) by one or more other persons; and
 - (c) that, if all the taxable supplies of that business were taken into account, a person carrying on that business would at the time of the direction be liable to be registered by virtue of paragraph 1 above; and
 - (d) that the main reason or one of the main reasons for the person concerned carrying on the activities first referred to in paragraph (b) above in the way he does is the avoidance of a liability to be registered (whether that liability would be his, another person's or that of two or more persons jointly).
- (3) A direction made under this paragraph shall be served on each of the persons named in it.
- (4) Where, after a direction has been given under this paragraph specifying a description of business, it appears to the Commissioners that a person who was not named in that direction is making taxable supplies in the course of activities which should properly be regarded as part of the activities of that business, the Commissioners may make and serve on him a supplementary direction referring to the earlier direction and the description of business specified in it and adding that person's name to those of the persons named in the earlier direction with effect from-
- (a) the date on which he began to make those taxable supplies, or

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- (b) if it was later, the date with effect from which the single taxable person referred to in the earlier direction became liable to be registered.
- (5) If, immediately before a direction (including a supplementary direction) is made under this paragraph, any person named in the direction is registered in respect of the taxable supplies made by him as mentioned in sub-paragraph (2) or sub-paragraph (4) above, he shall cease to be liable to be so registered with effect from whichever is the later of-
- (a) the date with effect from which the single taxable person concerned became liable to be registered; and
 - (b) the date of the direction.
- (6) In relation to a business specified in a direction under this paragraph, the persons named in the direction, together with any person named in a supplementary direction relating to that business (being the persons who together are to be treated as the taxable person), are in sub-paragraphs (7) and (8) below referred to as "the constituent members".
- (7) Where a direction is made under this paragraph then, for the purposes of this Act,-
- (a) the taxable person carrying on the business specified in the direction shall be registrable in such name as the persons named in the direction may jointly nominate by notice in writing given to the Commissioners not later than fourteen days after the date of the direction or, in default of such a nomination, in such name as may be specified in the direction;
 - (b) any supply of goods or services by or to one of the constituent members in the course of the activities of the taxable person shall be treated as a supply by or to that person;
 - (c) each of the constituent members shall be jointly and severally liable for any tax due from the taxable person;
 - (d) without prejudice to paragraph (c) above, any failure by the taxable person to comply with any requirement imposed by or under this Act shall be treated as a failure by each of the constituent members severally; and
 - (e) subject to paragraphs (a) to (d) above, the constituent members shall be treated as a partnership carrying on the business of the taxable person and any question as to the scope of the activities of that business at any time shall be determined accordingly.
- (8) If it appears to the Commissioners that any person who is one of the constituent members should no longer be regarded as such for the purposes of paragraphs (c) and (d) of sub-paragraph (7) above and they give notice to that effect, he shall not have any liability by virtue of those paragraphs for anything done after the date specified in that notice and, accordingly, on that date he shall be treated as having ceased to be a member of the partnership referred to in paragraph (e) of that sub-paragraph.]

Textual Amendments

F13 Sch. 1 para. 1A inserted by Finance Act 1986 (c. 41, SIF 40:2), s. 10(1)

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VALID FROM 01/01/1993

- [^{F14}1B A person who has become liable to be registered under this Schedule shall cease to be so liable at any time if the Commissioners are satisfied in relation to that time that he—
- (a) has ceased to make taxable supplies; or
 - (b) is not at that time a person in relation to whom any of the conditions specified in paragraphs 1(1)(a) and (b) and (2)(a) and (b) above is satisfied.]

Textual Amendments

- F14** Sch. 1 para. 1B inserted (1.1.1993) by Finance (No. 2) Act 1992 (c. 48), s. 14(2), Sch. 3 Pt. I para.50; S.I. 1992/3261, art. 3, Sch. (with art. 4)

- [^{F15}(1) Subject to sub-paragraph (2) below, a registered person who makes taxable supplies shall cease to be liable to be registered at any time if the Commissioners are satisfied that the value of his taxable supplies in the period of one year then beginning will not exceed [^{F16}£33,600].
- (2) A person shall not cease to be liable to be registered by virtue of sub-paragraph (1) above if the Commissioners are satisfied that the reason the value of his taxable supplies will not exceed [^{F16}£33,600] is that in the period in question he will cease making taxable supplies, or will suspend making them for a period of thirty days or more.
- (3) In determining the value of a person's supplies for the purposes of sub-paragraph (1) above, supplies of goods [^{F17}or services] that are capital assets of the business in the course or furtherance of which they are supplied shall be disregarded.
- [Where, apart from this sub-paragraph, an interest in, right over or licence to occupy ^{F18}(4) any land would under sub-paragraph (3) above be disregarded for the purposes of sub-paragraph (1) above, it shall not be if it is supplied on a taxable supply which is not zero-rated.]]

Textual Amendments

- F15** Sch. 1 para. 2 substituted by Finance Act 1987 (c. 16, SIF 40:2), s. 14(3)
- F16** Words in Sch. 1 para. 2(1)(2) substituted (1.5.1991) by S.I. 1991/738, art. 2(b)
- F17** Words inserted by Finance Act 1988 (c. 39, SIF 40:2), s. 14(2)
- F18** Para. 2(4) added by Finance Act 1989 (c. 26, SIF 40:2), s. 18, Sch. 3 para. 10(b)

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Notification of liability and registration

- [^{F19}3 (1) A person who becomes liable to be registered by virtue of paragraph 1(1)(a) above shall notify the Commissioners of the liability within thirty days of the end of the relevant month.
- (2) The Commissioners shall register any such person (whether or not he so notifies them) with effect from the end of the month following the relevant month or from such earlier date as may be agreed between them and him.
- (3) In this paragraph “the relevant month”, in relation to a person who becomes liable to be registered, means the month at the end of which he becomes liable to be registered.]

Textual Amendments

F19 Sch. 1 paras. 3, 4, 4A, 4B substituted for paragraphs 3 and 4 by Finance Act 1990 (c. 29, SIF 40:2), s. 10(6)(10)

- 4 (1) A person who becomes liable to be registered by virtue of paragraph 1(1)(b) above shall notify the Commissioners of the liability before the end of the period by reference to which the liability arises.
- (2) The Commissioners shall register any such person (whether or not he so notifies them) with effect from the beginning of the period by reference to which the liability arises.
- 4A (1) A person who becomes liable to be registered by virtue of paragraph 1(2) above shall notify the Commissioners of the liability within thirty days of the time when the business is transferred.
- (2) The Commissioners shall register any such person (whether or not he so notifies them) with effect from the time when the business is transferred.
- 4B Where a person becomes liable to be registered by virtue of paragraph 1(1)(a) above and by virtue of paragraph 1(1)(b) or 1(2) above at the same time, the Commissioners shall register him in accordance with paragraph 4(2) or 4A(2) above, as the case may be, rather than paragraph 3(2) above.

[^{F20} Entitlement to be registered]

Textual Amendments

F20 Sch. 1 paras. 5, 5A substituted for paragraph 5 by Finance Act 1988 (c. 39, SIF 40:2), s. 14(4)

- 5 Where a person who is not liable to be registered satisfies the Commissioners that he-

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- (a) makes taxable supplies; or
- (b) is carrying on a business and intends to make such supplies in the course or furtherance of that business,

they shall, if he so requests, register him with effect from the day on which the request is made or from such earlier date as may be agreed between them and him.

5A (1) Where a person who is not liable to be registered satisfies the Commissioners that he-

- (a) makes supplies within sub-paragraph (2) below; or
- (b) is carrying on a business and intends to make such supplies in the course or furtherance of that business,

and (in either case) is within sub-paragraph (3) below, they shall, if he so requests, register him with effect from the day on which the request is made or from such earlier date as may be agreed between them and him.

(2) A supply is within this sub-paragraph if-

- (a) it is made outside the United Kingdom but would be a taxable supply if made in the United Kingdom; or
- (b) section 35 of this Act provides that it is to be disregarded for the purposes of this Act, and it would otherwise be a taxable supply.

(3) A person is within this sub-paragraph if-

- (a) he has a business establishment in the United Kingdom or his usual place of residence is in the United Kingdom; and
- (b) he does not make and does not intend to make taxable supplies.

(4) For the purposes of this paragraph-

- (a) a person carrying on a business through a branch or agency in the United Kingdom shall be treated as having a business establishment in the United Kingdom; and
- (b) "usual place of residence", in relation to a body corporate, means the place where it is legally constituted.

F21

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Textual Amendments

F21 Sch. 1 para. 6 repealed by Finance Act 1987 (c. 16, SIF 40:2), ss. 14(6), 72(7), Sch. 16 Pt. IV

[F22 Notification of end of liability or entitlement etc.]

Textual Amendments

F22 Sch. 1 paras. 7, 7A substituted for paragraph 7 and the heading preceding that paragraph by Finance Act 1988 (c. 39, SIF 40:2), s. 14(5)

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- 7 A person registered under paragraph 3, 4 or 5 above who ceases to make or have the intention of making taxable supplies shall notify the Commissioners of that fact within thirty days of the day on which he does so.

Modifications etc. (not altering text)

C1 Sch. 1 para. 7 amended by S.I. 1985/886, reg. 4(4)(6) (as substituted by S.I. 1987/1916, reg. 4(c)(d))

- 7A A person registered under paragraph 5A above who-
- (a) ceases to make or have the intention of making supplies within sub-paragraph (2) of that paragraph; or
 - (b) makes or forms the intention of making taxable supplies, shall notify the Commissioners of that fact within thirty days of the day on which he does so.

F23

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Textual Amendments

F23 Sch. 1 para. 8 repealed by Finance Act 1987 (c. 16, SIF 40:2), s. 72(7), Sch. 16 Pt. IV

[^{F24} Cancellation of registration]

Textual Amendments

F24 Sch. 1 paras. 8A, 9, 10 substituted for paragraphs 9 and 10 by Finance Act 1988 (c. 39, SIF 40:2), s. 14(6)

- 8A (1) Where a registered person satisfies the Commissioners that he is not liable to be registered, they shall, if he so requests, cancel his registration with effect from the day on which the request is made or from such later date as may be agreed between them and him.
- (2) In this paragraph and paragraphs 9 and 10 below, any reference to a registered person includes a reference to a person registered before their coming into force.
- 9 (1) Where the Commissioners are satisfied that a registered person has ceased to be registrable, they may cancel his registration with effect from the day on which he so ceased or from such later date as may be agreed between them and him.
- (2) In this paragraph and paragraph 10 below, “registrable” means liable or entitled to be registered.

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Modifications etc. (not altering text)

C2 Sch. 1 para. 9 amended by S.I. 1985/886, reg. 4(6) (as substituted by S.I. 1987/1916, reg. 4(d))

- 10 Where the Commissioners are satisfied that on the day on which a registered person was registered he was not registrable, they may cancel his registration with effect from that day.

[^{F25} Exemption from registration]

Textual Amendments

F25 Sch. 1 paras. 11-12 substituted for paragraphs 11, 11A and 12 (para. 11A having been inserted by Finance Act 1987 (c. 16, SIF 40:2), s. 13(4)) and the heading preceding paragraph 11 by Finance Act 1988 (c. 39, SIF 40:2), s. 14(7)

- 11 (1) Notwithstanding the preceding provisions of this Schedule, where a person who makes or intends to make taxable supplies satisfies the Commissioners that any such supply is zero-rated or would be zero-rated if he were a taxable person, they may, if he so requests and they think fit, exempt him from registration until it appears to them that the request should no longer be acted upon or is withdrawn.
- (2) Where there is a material change in the nature of the supplies made by a person exempted from registration under this paragraph, he shall notify the Commissioners of the change-
- (a) within thirty days of the date on which it occurred; or
 - (b) if no particular day is identifiable as the day on which it occurred, within thirty days of the end of the quarter in which it occurred.
- (3) Where there is a material alteration in any quarter in the proportion of taxable supplies of such a person that are zero-rated, he shall notify the Commissioners of the alteration within thirty days of the end of the quarter.

Power to vary specified sums by order

- 12 The Treasury may by order substitute for any of the sums for the time being specified in this Schedule such greater sums as they think fit.

Supplementary

- ^{F26}13 The value of a supply of goods or services shall be determined for the purposes of this Schedule on the basis that no tax is chargeable on the supply.]

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Textual Amendments

F26 Sch. 1 para. 13 substituted by Finance Act 1987 (c. 16, SIF 40:2), s. 14(10)

- 14 Any notification required under this Schedule shall be made in such form and shall contain such particulars as the Commissioners may by regulations prescribe.
- 15 References in this Schedule to registration are references to registration in a register kept by the Commissioners for the purposes of this Act and references in this Schedule to supplies are references to supplies made in the course or furtherance of a business.

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