

*Status: Point in time view as at 22/07/2020.*

*Changes to legislation: There are currently no known outstanding effects for the Value Added Tax Act 1994, SCHEDULE 3. (See end of Document for details)*

## SCHEDULES

### SCHEDULE 3

Section 3(2).

#### REGISTRATION IN RESPECT OF ACQUISITIONS FROM OTHER MEMBER STATES

##### *Liability to be registered*

- 1 (1) A person who—
- (a) is not registered under this Act; and
  - (b) is not liable to be registered under Schedule 1<sup>[F1]</sup>, 1A] or 2,
- becomes liable to be registered under this Schedule at the end of any month if, in the period beginning with 1st January of the year in which that month falls, that person has made relevant acquisitions whose value exceeds <sup>[F2]</sup>£85,000].
- (2) A person who is not registered or liable to be registered as mentioned in subparagraph (1)(a) and (b) above becomes liable to be registered under this Schedule at any time if there are reasonable grounds for believing that the value of his relevant acquisitions in the period of 30 days then beginning will exceed <sup>[F3]</sup>£85,000].
- (3) A person shall be treated as having become liable to be registered under this Schedule at any time when he would have become so liable under the preceding provisions of this paragraph but for any registration which is subsequently cancelled under paragraph 6(3) below, paragraph 13(3) of Schedule 1 <sup>[F4]</sup>, <sup>[F5]</sup>paragraph 11 of Schedule 1A,] paragraph 6(2) of Schedule 2 or paragraph 6(2) of Schedule 3A].
- (4) A person shall not cease to be liable to be registered under this Schedule except in accordance with paragraph 2 below.
- (5) In determining the value of any person's relevant acquisitions for the purposes of this paragraph, so much of the consideration for any acquisition as represents any liability of the supplier, under the law of another member State, for VAT on the transaction in pursuance of which the acquisition is made, shall be disregarded.
- <sup>[F6]</sup>(6) In determining the value of a person's acquisitions for the purposes of subparagraph (1) or (2) above, acquisitions to which section 18(B)(4) (last acquisition or supply of goods before removal from fiscal warehousing) applies shall be disregarded.]

#### Textual Amendments

- F1** Word in Sch. 3 para. 1(1)(b) inserted (with effect in accordance with [Sch. 28 para. 19](#) of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [Sch. 28 para. 15\(a\)](#)
- F2** Word in Sch. 3 para. 1(1) substituted (1.4.2017) by [The Value Added Tax \(Increase of Registration Limits\) Order 2017 \(S.I. 2017/290\)](#), arts. 1, [4\(a\)](#)
- F3** Word in Sch. 3 para. 1(2) substituted (1.4.2017) by [The Value Added Tax \(Increase of Registration Limits\) Order 2017 \(S.I. 2017/290\)](#), arts. 1, [4\(a\)](#)

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- F4** Words in Sch. 3 para. 1(3) substituted (28.7.2000 with effect as mentioned in s. 136(10) of the amending Act) by 2000 c. 17, s. 136(7)
- F5** Words in Sch. 3 para. 1(3) inserted (with effect in accordance with Sch. 28 para. 19 of the amending Act) by Finance Act 2012 (c. 14), Sch. 28 para. 15(b)
- F6** Sch. 3 para. 1(6) added (1.6.1996 with application to any acquisition of goods from another member State and any supply taking place on or after that day) by 1996 c. 8, ss. 25, 26, Sch. 3 para. 15; S.I. 1996/1249, art. 2

- 2 (1) Subject to sub-paragraph (2) below, a person who has become liable to be registered under this Schedule shall cease to be so liable if at any time—
- (a) his relevant acquisitions in the year ending with 31st December last before that time did not have a value exceeding [<sup>F7</sup>£85,000] and
- (b) the Commissioners are satisfied that the value of his relevant acquisitions in the year immediately following that year will not exceed [<sup>F8</sup>£85,000].
- (2) A person shall not cease to be liable to be registered under this Schedule at any time if there are reasonable grounds for believing that the value of that person's relevant acquisitions in the period of 30 days then beginning will exceed [<sup>F9</sup>£85,000].

#### Textual Amendments

- F7** Word in Sch. 3 para. 2(1)(a) substituted (1.4.2017) by The Value Added Tax (Increase of Registration Limits) Order 2017 (S.I. 2017/290), arts. 1, 4(b)
- F8** Word in Sch. 3 para. 2(1)(b) substituted (1.4.2017) by The Value Added Tax (Increase of Registration Limits) Order 2017 (S.I. 2017/290), arts. 1, 4(b)
- F9** Word in Sch. 3 para. 2(2) substituted (1.4.2017) by The Value Added Tax (Increase of Registration Limits) Order 2017 (S.I. 2017/290), arts. 1, 4(b)

#### *Notification of liability and registration*

- 3 (1) A person who becomes liable to be registered under this Schedule shall notify the Commissioners of the liability—
- (a) in the case of a liability under sub-paragraph (1) of paragraph 1 above, within 30 days of the end of the month when he becomes so liable; and
- (b) in the case of a liability under sub-paragraph (2) of that paragraph, 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 relevant time or from such earlier time as may be agreed between them and him.
- (3) In this paragraph “the relevant time”—
- (a) in a case falling within sub-paragraph (1)(a) above, means the end of the month following the month at the end of which the liability arose; and
- (b) in a case falling within sub-paragraph (1)(b), means the beginning of the period by reference to which the liability arose.

#### *Entitlement to be registered etc*

- 4 (1) Where a person who is not liable to be registered under this Act and is not already so registered satisfies the Commissioners that he makes relevant acquisitions, they

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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) Where a person who is not liable to be registered under this Act and is not already so registered—
  - (a) satisfies the Commissioners that he intends to make relevant acquisitions from a specified date; and
  - (b) requests to be registered under this Schedule,the Commissioners may, subject to such conditions as they think fit to impose, register him with effect from such date as may be agreed between them and him.
- (3) Conditions imposed under sub-paragraph (2) above—
  - (a) may be so imposed wholly or partly by reference to, or without reference to, any conditions prescribed for the purposes of this paragraph, and
  - (b) may, whenever imposed, be subsequently varied by the Commissioners.
- (4) Where a person who is entitled to be registered under paragraph 9 or 10 of Schedule 1 requests registration under this paragraph, he shall be registered under that Schedule, and not under this Schedule.

#### *Notification of matters affecting continuance of registration*

- 5 (1) Any person registered under this Schedule who ceases to be registrable under this Act shall notify the Commissioners of that fact within 30 days of the day on which he does so.
- (2) A person registered under paragraph 4(2) above shall notify the Commissioners, within 30 days of the first occasion after his registration when he makes a relevant acquisition, that he has done so.
- (3) For the purposes of this paragraph a person ceases to be registrable under this Act where—
  - (a) he ceases to be a person who would be liable or entitled to be registered under this Act if his registration and any enactment preventing a person from being liable to be registered under different provisions at the same time were disregarded; or
  - (b) in the case of a person who (having been registered under paragraph 4(2) above) has not been such a person during the period of his registration, he ceases to have any intention of making relevant acquisitions.

#### *Cancellation of registration*

- 6 (1) Subject to paragraph 7 below, where a person registered under this Schedule satisfies the Commissioners that he is not liable to be so 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) Subject to paragraph 7 below, where the Commissioners are satisfied that a person registered under this Schedule has ceased since his registration to be registrable under this Schedule, 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.
- (3) Where the Commissioners are satisfied that, on the day on which a person was registered under this Schedule, he—

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- (a) was not registrable under this Schedule; and
  - (b) in the case of a person registered under paragraph 4(2) above, did not have the intention by reference to which he was registered,
- they may cancel his registration with effect from that day.
- (4) Subject to paragraph 7 below, where the Commissioners are satisfied that a person who has been registered under paragraph 4(2) above and is not for the time being liable to be registered under this Schedule—
- (a) has not begun, by the date specified in his request to be registered, to make relevant acquisitions; or
  - (b) has contravened any condition of his registration,
- they may cancel his registration with effect from the date so specified or, as the case may be, the date of the contravention or from such later date as may be agreed between them and him.
- (5) For the purposes of this paragraph a person is registrable under this Schedule at any time when he is liable to be registered under this Schedule or is a person who makes relevant acquisitions.

#### *Conditions of cancellation*

- 7
- (1) The Commissioners shall not, under paragraph 6(1) above, cancel a person's registration with effect from any time unless they are satisfied that it is not a time when that person would be subject to a requirement to be registered under this Act.
  - (2) The Commissioners shall not, under paragraph 6(2) or (4) above, cancel a person's registration with effect from any time unless they are satisfied that it is not a time when that person would be subject to a requirement, or entitled, to be registered under this Act.
  - (3) Subject to sub-paragraph (4) below, the registration of a person who—
    - (a) is registered under paragraph 4 above; or
    - (b) would not, if he were not registered, be liable or entitled to be registered under any provision of this Act except paragraph 4 above,
 shall not be cancelled with effect from any time before the 1st January which is, or next follows, the second anniversary of the date on which his registration took effect.
  - (4) Sub-paragraph (3) above does not apply to cancellation under paragraph 6(3) or (4) above.
  - (5) In determining for the purposes of this paragraph whether a person would be subject to a requirement, or entitled, to be registered at any time, so much of any provision of this Act as prevents a person from becoming liable or entitled to be registered when he is already registered or when he is so liable under any other provision shall be disregarded.

#### *Exemption from registration*

- 8
- (1) Notwithstanding the preceding provisions of this Schedule, where a person who makes or intends to make relevant acquisitions satisfies the Commissioners that any such acquisition would be an acquisition in pursuance of a transaction which would be zero-rated if it were a taxable supply by a taxable person, they may, if he so

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requests and they think fit, exempt him from registration under this Schedule until it appears to them that the request should no longer be acted upon or is withdrawn.

- (2) Where a person who is exempted under this paragraph from registration under this Schedule makes any relevant acquisition in pursuance of any transaction which would, if it were a taxable supply by a taxable person, be chargeable to VAT otherwise than as a zero-rated supply, he shall notify the Commissioners of the change within 30 days of the date on which he made the acquisition.

*Power to vary specified sums by order*

- 9 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*

- 10 Any notification required under this Schedule shall be made in such form [<sup>F10</sup>and manner] and shall contain such particulars [<sup>F11</sup>as may be specified in regulations or by the Commissioners in accordance with regulations.]

**Textual Amendments**

**F10** Words in Sch. 3 para. 10 inserted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 29 para. 10\(a\)](#)

**F11** Words in Sch. 3 para. 10 substituted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 29 para. 10\(b\)](#)

- 11 For the purposes of this Schedule an acquisition of goods from another member State is a relevant acquisition where—
- (a) it is a taxable acquisition of goods other than goods which are subject to a duty of excise or consist in a new means of transport;
  - (b) it is an acquisition otherwise than in pursuance of a taxable supply and is treated, for the purposes of this Act, as taking place in the United Kingdom; and
  - (c) the event which, in relation to that acquisition, is the first relevant event for the purposes of taxing that acquisition occurs on or after 1st January 1993.

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