



Finance Act 2000

2000 CHAPTER 17

PART V

OTHER TAXES

Value added tax

135 Supplies to which reduced rate applies

- (1) Schedule 35 to this Act (which amends Schedule A1 to the Value Added Tax Act 1994 for the purpose of extending the range of supplies to which the reduced rate of value added tax applies) has effect.
- (2) The amendments made by that Schedule have effect in relation to supplies made on or after 1st April 2000.
- (3) Subsection (2) does not apply to the amendment made by paragraph 8(5) of that Schedule.

That amendment has effect in relation to supplies made after the day on which this Act is passed.

136 Disposals of assets for which a VAT repayment is claimed

- (1) In section 3(2) of the Value Added Tax Act 1994 (taxable persons and registration), for “Schedules 1 to 3” there shall be substituted “Schedules 1 to 3A”.
- (2) In section 67 of that Act (failure to notify)—
 - (a) in subsection (1)(a), for “or with paragraph 3 or 8(2) of Schedule 3” there shall be substituted “, with paragraph 3 or 8(2) of Schedule 3 or paragraph 3, 4 or 7(2) or (3) of Schedule 3A”;
 - (b) in subsection (3)(a), for “or paragraph 3 of Schedule 3” there shall be substituted “, paragraph 3 of Schedule 3 or paragraph 3 or 4 of Schedule 3A”;and

Status: This is the original version (as it was originally enacted).

- (c) in subsection (3)(b), for “or with sub-paragraph (2) of paragraph 8 of Schedule 3” there shall be substituted “, with sub-paragraph (2) of paragraph 8 of Schedule 3 or with sub-paragraph (2) or (3) of paragraph 7 of Schedule 3A”.
- (3) In section 69(1)(a) of that Act (breaches of regulatory provisions), for “or paragraph 5 of Schedule 3” there shall be substituted “, paragraph 5 of Schedule 3 or paragraph 5 of Schedule 3A”.
- (4) In section 73(3)(b) of that Act (failure to make returns etc.), for “or paragraph 6(2) or (3) of Schedule 3” there shall be substituted “, paragraph 6(2) or (3) of Schedule 3 or paragraph 6(1) or (2) of Schedule 3A”.
- (5) In section 74(1)(c) of that Act (interest on VAT recovered or recoverable by assessment), for “under paragraph 8 of Schedule 3” there shall be substituted “, under paragraph 8 of Schedule 3 or under paragraph 7 of Schedule 3A”.
- (6) In the following provisions of that Act—
 - (a) paragraph 1(4)(a) and (5) of Schedule 1 (registration in respect of taxable supplies); and
 - (b) paragraph 1(4) of Schedule 2 (registration in respect of supplies from other member States),
 for “or paragraph 6(3) of Schedule 3” there shall be substituted “, paragraph 6(3) of Schedule 3 or paragraph 6(2) of Schedule 3A”.
- (7) In paragraph 1(3) of Schedule 3 to that Act (registration in respect of acquisitions from other member States), for “or paragraph 6(2) of Schedule 2” there shall be substituted “, paragraph 6(2) of Schedule 2 or paragraph 6(2) of Schedule 3A”.
- (8) After Schedule 3 to that Act there shall be inserted the Schedule 3A set out in Schedule 36 to this Act.
- (9) In paragraph 5(5) of Schedule 4 to that Act (matters to be treated as a supply of goods or services), for the words from “under sections 25 and 26” to the end there shall be substituted—
 - “(a) under sections 25 and 26, to credit for the whole or any part of the VAT on the supply, acquisition or importation of those goods or of anything comprised in them; or
 - (b) under a scheme embodied in regulations made under section 39, to a repayment of VAT on the supply or importation of those goods or of anything comprised in them.”.
- (10) Subsections (1) to (7) and (9) above have effect in relation to supplies made on or after 21st March 2000; and subsection (8) above and Schedule 36 to this Act have effect in relation to relevant supplies (within the meaning of Schedule 3A to that Act) made on or after that date.

137 Gold: penalty for failure to comply with record-keeping requirements etc

- (1) Part IV of the Value Added Tax Act 1994 (administration, collection and enforcement) is amended as follows.
- (2) After section 69 (breaches of regulatory provisions) insert—

“69A Breach of record-keeping requirements etc. in relation to transactions in gold

- (1) This section applies where a person fails to comply with a requirement of regulations under section 13(5)(a) or (b) of the Finance Act 1999 (gold: duties to keep records or provide information).

Where this section applies, the provisions of section 69 do not apply.

- (2) A person who fails to comply with any such requirement is liable to a penalty not exceeding 17.5% of the value of the transactions to which the failure relates.
- (3) For the purposes of assessing the amount of any such penalty, the value of the transactions to which the failure relates shall be determined by the Commissioners to the best of their judgement and notified by them to the person liable.
- (4) No assessment of a penalty under this section shall be made more than 2 years after evidence of facts sufficient in the opinion of the Commissioners to justify the making of the assessment comes to their knowledge.
- (5) The reference in subsection (4) above to facts sufficient to justify the making of the assessment is to facts sufficient—
- (a) to indicate that there had been a failure to comply with any such requirement as is referred to in subsection (1) above, and
 - (b) to determine the value of the transactions to which the failure relates.
- (6) A failure by any person to comply with any such requirement as is mentioned in subsection (1) above shall not give rise to a liability to a penalty under this section if the person concerned satisfies the Commissioners or, on appeal, a tribunal, that there is a reasonable excuse for the failure.
- (7) Where by reason of conduct falling within subsection (1) above a person—
- (a) is assessed to a penalty under section 60, or
 - (b) is convicted of an offence (whether under this Act or otherwise),
- that conduct shall not also give rise to a penalty under this section.”.

- (3) In section 70(1) of that Act (mitigation of penalties), for “or 67” substitute “, 67 or 69A”.
- (4) In section 76(1) of that Act (assessment of amount due by way of penalty etc.), for “to 69” (in both places) substitute “to 69A”.
- (5) In section 83 of that Act (appeals), in paragraph (n) for “59 to 69” substitute “59 to 69A”.