

---

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2022, Paragraph 13. (See end of Document for details)*

---

## SCHEDULES

### SCHEDULE 17

#### LARGE BUSINESSES: NOTIFICATION OF UNCERTAIN TAX TREATMENT

#### PART 2

#### REQUIREMENT TO NOTIFY HMRC OF UNCERTAIN TAX TREATMENT

*“Tax advantage” in relation to VAT*

- 13 (1) For the purposes of this Part, a company or partnership obtains a tax advantage in relation to VAT if—
- (a) in a prescribed accounting period, the amount by which the output tax accounted for by the company or partnership is less, or is accounted for later, than would otherwise be the case;
  - (b) the company or partnership obtains a VAT credit when it would otherwise not do so, or obtains a larger credit or obtains a credit earlier than would otherwise be the case;
  - (c) in a case where the company or partnership recovers input tax as a recipient of a supply before the supplier accounts for the output tax, the period between the time when the input tax is recovered and the time when the output tax is accounted for is greater than would otherwise be the case;
  - (d) in a prescribed accounting period, the amount of the company’s or partnership’s non-deductible tax is less than it otherwise would be;
  - (e) the company or partnership avoids an obligation to account for VAT.
- (2) In sub-paragraph (1)(d) “non-deductible tax”, in relation to a company or partnership, means—
- (a) input tax for which the company or partnership is not entitled to credit under section 25 of VATA 1994;
  - (b) any VAT incurred by the company or partnership which is not input tax and in respect of which the company or partnership is not entitled to a refund from the Commissioners for Her Majesty’s Revenue and Customs by virtue of any provision of VATA 1994.
- (3) For the purposes of sub-paragraph (2)(b), the VAT “incurred” by a company or partnership is—
- (a) VAT on the supply to the company or partnership of any goods or services;
  - (b) VAT paid or payable by the company or partnership on the importation of any goods.
- (4) Terms used in this paragraph which are defined in section 96 of VATA 1994 have the meanings given by that section.

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 2022, Paragraph 13.