



# Finance (No. 2) Act 2024

## 2024 CHAPTER 12

### *Other measures*

#### **23 Minor VAT amendments**

(1) In section 35 of VATA 1994 (refund of VAT to persons constructing certain buildings)

- (a) in subsections (1) and (1C), before “the Commissioners shall” insert “subject to subsections (2) to (2C),”, and
- (b) after subsection (2) insert—

“(2A) Where a person has made a claim for a refund of VAT under this section, before determining the claim the Commissioners may by notice require the person to produce further documents, by way of evidence or otherwise, that the Commissioners reasonably require in connection with the claim.

(2B) A notice under subsection (2A) must specify the time within which, and the form and manner in which, the documents must be produced.

(2C) Where the person does not produce the documents required by a notice under subsection (2A), the Commissioners may refuse to refund the amount of VAT (or any part of it) in respect of which the claim was made.”

(2) The amendments made by [subsection \(1\)](#) have effect in relation to claims under section 35 of that Act made on or after the day on which this Act is passed.

(3) In section 50 of VATA 1994 (terminal markets)—

- (a) in subsections (1) and (2)(b), for “ordinarily engaged” substitute “involved”, and
- (b) in subsection (3), for the words from the first “with respect to” to the end substitute—

“for different purposes, including different provision in relation to—

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*Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2024, Section 23. (See end of Document for details)*

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- (a) different terminal markets;
  - (b) different persons;
  - (c) different commodities, goods or services.”
- (4) In Part 2 of Schedule 54A to FA 2009 (further provision as to late payment interest and repayment interest)—
- (a) in paragraph 5 (interpretation), omit the definition of “VAT credit”,
  - (b) in paragraph 7 (conditions for recovery of certain amounts of repayment interest), in sub-paragraph (1), for “on a VAT credit” substitute “in respect of an amount that is, or relates to, value added tax”, and
  - (c) in paragraph 8 (common period rules for value added tax)—
    - (i) in sub-paragraph (2), for paragraphs (a) and (b) substitute—
      - “(a) an amount (“the overdue payment”) that is, or relates to, value added tax—
        - (i) is due and payable by the person, and
        - (ii) carries late payment interest, and
      - (b) an amount (“the relevant amount”) that is, or relates to, value added tax—
        - (i) is payable to the person, and
        - (ii) carries repayment interest.”,
    - (ii) in sub-paragraph (3), in the words before paragraph (a), for “During” substitute “In respect of”,
    - (iii) in paragraphs (a) and (b) of that sub-paragraph, for “VAT credit”, in each place it occurs, substitute “relevant amount”, and
    - (iv) after sub-paragraph (3) insert—
      - “(4) An amount of repayment interest that—
        - (a) has been paid to a person, but
        - (b) as a result of sub-paragraph (3)(b), ought not to have been paid,
 may be recovered from the person as if it were late payment interest.”
- (5) Part 2 of Schedule 54A to FA 2009 has effect, and is to be deemed always to have had effect, with the amendments made by [subsection \(4\)](#).

**Changes to legislation:**

There are currently no known outstanding effects for the Finance (No. 2) Act 2024, Section 23.