

1972 No. 1148

VALUE ADDED TAX

The Value Added Tax (Supplies by Retailers) Regulations 1972

<i>Made</i>	- - -	<i>1st August 1972</i>
<i>Laid before the House of Commons</i>		<i>9th August 1972</i>
<i>Coming into Operation</i>		<i>1st April 1973</i>

The Commissioners of Customs and Excise, by virtue of the powers conferred on them by section 30 of the Finance Act 1972(a) and of all other powers enabling them in that behalf, hereby make the following Regulations:—

1.—(1) These Regulations may be cited as the Value Added Tax (Supplies by Retailers) Regulations 1972 and shall come into operation on 1st April 1973.

(2) In these Regulations:—

“the Act” means the Finance Act 1972;

“notice” means any notice published pursuant to these Regulations;

“prescribed accounting period” means any period such as is mentioned in Regulation 46 of the Value Added Tax (General) Regulations 1972(b); and

“scheme” means any method such as is mentioned in Regulation 2.

(3) The Interpretation Act 1889(c) shall apply for the interpretation of these Regulations as it applies for the interpretation of an Act of Parliament.

2.—(1) The Commissioners may permit the value which is to be taken as the value, in any prescribed accounting period or part thereof, of supplies by a retailer which are taxable at other than the zero-rate to be determined by a method agreed with a retailer or by any method described in a notice published by them for that purpose; and they may publish any notice accordingly.

(2) The Commissioners may vary the terms of any method either by publishing a fresh notice or by adapting any method by agreement with any retailer.

3. The Commissioners may refuse to permit the value of taxable supplies to be determined in accordance with a scheme and in particular may do so in any case where it appears to them that the retailer could reasonably be expected to account for tax in accordance with Regulations made under section 30(1) of the Act.

4. No retailer may at any time use more than one scheme except as provided for in any notice or as the Commissioners may otherwise allow.

(a) 1972 c. 41.

(b) S.I. 1972/1147 (1972 II, p. 3362).

(c) 1889 c. 63.

5. Any retailer using any scheme shall notify the Commissioners in writing on every return of tax furnished by him in compliance with Regulation 46 of the Value Added Tax (General) Regulations 1972 which scheme he is using.

6. Save as the Commissioners may otherwise allow, a retailer who accounts for tax on the basis of taxable supplies valued in accordance with any scheme shall, so long as he remains a taxable person, continue to do so for a period of not less than 1 year from the adoption of that scheme by him, and any change by a retailer from one scheme to another shall be made at the end of any complete year reckoned from the beginning of the tax period in which he first adopted the scheme.

7.—(1) A retailer shall notify the Commissioners before ceasing to account for tax on the basis of taxable supplies valued in accordance with these Regulations.

(2) A retailer may be required to pay tax on such proportion as the Commissioners may consider fair and reasonable of any sums due to him at the end of the period in which he last used a scheme.

8. A retailer registered in the Register of Pharmaceutical Chemists kept under the Pharmacy Act 1954(a) or the Pharmacy and Poisons Act (Northern Ireland) 1925(b) shall, in making any calculations in order to use any scheme pursuant to these Regulations, —

- (a) disregard any monies received by him from whatever source in respect of any supply described in Group 14 of Schedule 4 to the Act; and,
- (b) if he is using a scheme which involves apportioning gross takings as described therein on the basis of goods supplied to him, exclude from those supplies any goods dispensed by him as mentioned in the said Group 14.

9. Where the rate of tax chargeable on any supplies is varied pursuant to any enactment, a retailer using any scheme shall take such steps relating to that scheme as are directed in any notice applicable to him.

10.—(1) Where the supplies by any retailer include both supplies of food which are zero-rated under Group 1 of Schedule 4 to the Act and supplies of food in the course of catering, he shall either—

- (a) keep such records as will enable the proportion of the value of such supplies which is to be attributed to zero-rated and all other supplies to be determined to the satisfaction of the Commissioners; or
- (b) where he can satisfy the Commissioners that it is impracticable to keep such records make an estimate of the proportion of the value of such supplies which is to be attributed to zero-rated and all other supplies.

(2) Where any retailer makes an estimate in accordance with paragraph (1)(b) of this Regulation, tax shall be accounted for on the basis of that estimate; but, if at any time he has evidence or the Commissioners are satisfied that the estimate is no longer accurate, he shall thereupon make a further estimate in accordance with paragraph (1)(b) of this Regulation and shall inform the Commissioners accordingly, and tax shall be accounted for on the basis of such further estimate from such date as the Commissioners may direct.

(a) 1954 c. 61.

(b) 1925 c. 8 (N.I.).

(3) Where the Commissioners are not satisfied with any further estimate made under the preceding paragraph, they may determine the proportion of the value of supplies which is to be attributed to the various descriptions of supplies and tax shall be accounted for in accordance with such determination from such date as the Commissioners shall direct.

R. W. Radford,
Commissioner of Customs and Excise.

1st August 1972.

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EXPLANATORY NOTE

(This Note is not part of the Regulations.)

These Regulations make general provision for special schemes by which a retailer may calculate value added tax on his outputs. The detailed schemes are to be as described in a notice published by the Commissioners of Customs and Excise or as determined by agreement with the retailer. Regulation 8 contains special provisions in regard to pharmaceutical supplies, and Regulation 10 describes the method of determining the proportion of outputs on which tax is chargeable in cases where the retailer supplies both zero-rated food and food in the course of catering.

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