
STATUTORY INSTRUMENTS

1995 No. 1069

VALUE ADDED TAX

**The Value Added Tax (General)
(Amendment) (No. 3) Regulations 1995**

Made - - - - 12th April 1995
Laid before the House of
Commons - - - - 12th April 1995
Coming into force in accordance with regulation 1

The Commissioners of Customs and Excise, in exercise of the powers conferred on them by section 26(1) of and paragraph 2(10)(a) of Schedule 11 to the Value Added Tax Act 1994⁽¹⁾ and of all other powers enabling them in that behalf, hereby make the following Regulations:

1. These Regulations may be cited as the Value Added Tax (General) (Amendment) (No. 3) Regulations 1995 and shall come into force on the day that the Finance Bill 1995 is passed and shall apply to supplies made on or after that day.
2. The Value Added Tax (General) Regulations 1985⁽²⁾ shall be amended in accordance with regulations 3 and 4 below.
3. In regulation 30⁽³⁾—
 - (a) after the words “or acquired by and” in paragraph (2)(a) there shall be inserted—

“, subject to paragraph (2A) below,”;
 - (b) after paragraph (2) there shall be inserted—

“(2A) For the purposes of paragraph (2)(a) above, supplies of goods or services to which regulation 58ZA below applies shall be treated as supplied in the period in which the VAT on those supplies is treated by virtue of that regulation as being chargeable.”
4. Before regulation 58A⁽⁴⁾ there shall be inserted—

(1) 1994 c. 23; section 96(1) defines “the Commissioners” as meaning the Commissioners of Customs and Excise and “regulations” as meaning regulations made by the Commissioners under the Act.
(2) S.I.1985/886.
(3) Regulation 30 was amended by S.I. 1992/3102.
(4) Regulation 58A was inserted by S.I. 1992/3102.

“Prescribed accounting period in which VAT on certain supplies is to be treated as being chargeable

58ZA.—(1) Any VAT chargeable on a supply of goods or services by one member of a group to another to which section 43(1)(a) of the Value Added Tax Act 1994 does not apply because the person making the supply and the person supplied do not continue to be members of that group until the time specified in paragraph (2) below shall be treated as chargeable (if it would otherwise be chargeable in an earlier period) in the first prescribed accounting period in which either the body making the supply or the body supplied (or both) no longer continue to be members of that group.

- (2) The time referred to in paragraph (1) above is—
- (a) in the case of a supply of goods which are to be removed in pursuance of the supply, a time after the removal;
 - (b) in the case of any other supply of goods, a time after the goods have been made available, in pursuance of the supply, to the body supplied; or
 - (c) in the case of a supply of services, a time after the services have been performed.”

12th April 1995

D. J. Howard
Commissioner of Customs and Excise

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations, which come into force when Royal Assent is granted to the Finance Bill 1995, further amend the Value Added Tax (General) Regulations 1985 (“the principal Regulations”) to provide special rules for dealing with VAT which may be chargeable on supplies between members of a group. Clause 25(2) of the Finance Bill 1995 will amend section 43 of the Value Added Tax Act 1994 by providing that supplies made by one of a number of companies treated as a group for VAT purposes to another such company are not to be disregarded unless the conditions specified in a new subsection (1A) of section 43 are satisfied.

Regulation 3 of these Regulations amends regulation 30(2) of the principal Regulations by providing that attribution of input tax on supplies which are not disregarded is to be made for the prescribed accounting period in which a new regulation 58ZA (see below) provides the VAT on such supplies is treated as chargeable (and not, as is the general rule, for the period in which the supply was made).

Regulation 4 of these Regulations inserts a new regulation 58ZA in the principal Regulations. This provides for any VAT chargeable on a supply which is not disregarded to be chargeable in the prescribed accounting period in which one or both of the parties to the supply leaves the group and not, as is the general rule, in the period in which the supply was made, unless those two periods are the same.