
STATUTORY INSTRUMENTS

1995 No. 2518

The Value Added Tax Regulations 1995

PART XVI

**IMPORTATIONS, EXPORTATIONS AND
REMOVALS [^{F1}IN RESPECT OF GREAT BRITAIN]**

[^{F1}Modifications and exceptions for the application of returned goods relief

121D.—(1) For the purposes of relief from import VAT incurred on the importation of goods into Great Britain from outside the United Kingdom, the provisions of the Customs (Reliefs from a Liability to Import Duty and Miscellaneous Amendments) (EU Exit) Regulations 2020 are to be read as if the UK Reliefs document referred to in those Regulations was modified as follows.

(2) Regard sections 37 to 39 (returned goods relief) of the UK Reliefs document as requiring that the goods are re-imported into Great Britain by the same person who originally exported or re-exported the goods.

(3) Regard the amount of relief mentioned in sections 37 to 39 of the UK Reliefs document as reduced by the amount of any unpaid VAT.

(4) Regard the amount of import VAT in regulation 23 of the Customs (Special Procedures and Outward Processing) (EU Exit) Regulations 2018 as reduced by the amount of any paid VAT.

(5) For the purposes of paragraphs (3) and (4)—

(a) “unpaid” refers to any part of the VAT charged and due on—

- (i) a supply of the goods in the United Kingdom before the re-importation, or
- (ii) an importation of the goods from outside the United Kingdom before the re-importation,

which has been repaid, remitted or otherwise not paid;

(b) “paid” refers to any part of the VAT charged, due and paid on—

- (i) a supply of the goods in the United Kingdom before the re-importation, or
- (ii) an importation of the goods from outside the United Kingdom before the re-importation,

in circumstances where there is no actual, or no prospect of, repayment or remission;

(c) a sum for which there is or was an entitlement or right to a deduction or refund within section 24 of the Act (input tax and output tax) is neither “unpaid” nor “paid”.

(6) In the circumstances described in paragraph (7) or (8), the provisions of the Customs (Reliefs from a Liability to Import Duty and Miscellaneous Amendments) (EU Exit) Regulations 2020 are excepted from the legislation which is to apply as mentioned in section 16(1) of the Act (application of customs enactments).

(7) The circumstances are that—

- (a) the re-importer contemplated by sections 37 to 39 of the UK Reliefs document makes a supply of, or concerning, the goods whilst those goods are under the inward processing procedure or in the course of, or after, the relevant exportation, re-exportation or re-importation of the goods,
- (b) the place of supply for the purposes of VAT is determined by or under section 7 of the Act (place of supply of goods) as being outside the United Kingdom, and
- (c) the goods nevertheless are, or may be, stored or physically used in the United Kingdom by or under the direction of that re-importer or the person to whom that supply is made (“recipient”);

and for these purposes “re-importer” and “recipient” include someone connected with either person or both persons as determined in accordance with sections 1122 and 1123 of the Corporation Tax Act 2010.

(8) The circumstances are that the goods in question were supplied at any time to any person pursuant to regulations 132 to 133 or pursuant to any corresponding provisions of the Isle of Man.]

Textual Amendments

- F1** Reg. 121D substituted (31.12.2020) by [The Value Added Tax \(Miscellaneous Amendments, Northern Ireland Protocol and Savings and Transitional Provisions\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1545\)](#), regs. 1, **67** (with regs. 109-131); S.I. 2020/1641, reg. 2, Sch.

Changes to legislation:

There are currently no known outstanding effects for the The Value Added Tax Regulations 1995, Section 121D.