
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations, which come into force on 22nd March 2000, further amend the Value Added Tax Regulations 1995 (S.I.1995/2518) (“the principal Regulations”).

The changes have been made because of a new requirement for certain persons to register for VAT under Schedule 3A of the Value Added Tax Act 1994 (“the Act”), which has effect from 21st March 2000. Schedule 3A prevents avoidance where goods are sold in the UK and the seller (or a previous owner of the seller’s business) claimed or intends to claim the VAT on purchase or import of the goods under the provisions allowing VAT repayments to unregistered overseas businesses.

Regulation 3 amends the definition of a registered person to cover the situation where he is registered under Schedule 3A.

Regulation 4 specifies the form in which a person must notify the Commissioners of Customs and Excise of his liability to be registered under Schedule 3A and extends the existing requirements for notifying cancellation of registration, or variation of the particulars held on the register to such persons.

Regulation 5 amends the definition of a person’s first VAT return to cover the situation where he is registered under Schedule 3A.

Regulation 6 amends the definitions of a person’s special accounting period, tax year and registration period for partial exemption purposes to cover the situation where he is registered under Schedule 3A. They have also been amended to include situations where a person is registered under either Schedule 2 or 3 of the Act in order to correct a previous omission.

Regulation 7 and Schedule 1 insert the new form for registration under Schedule 3A (form 7A), effective from 22nd March 2000.