
STATUTORY INSTRUMENTS

2020 No. 1544

**The Value Added Tax (Miscellaneous
Amendments to the Value Added Tax Act 1994
and Revocation) (EU Exit) Regulations 2020**

Amendment of Schedule 9ZB

6. In that Schedule, after paragraph 31 insert—

“Partially exempt supplies

(1) A removal of goods from Great Britain to Northern Ireland to which this sub-paragraph applies is to be treated as a taxable supply of goods made in the course or furtherance of a business carried on by the person who removes the goods.

(2) Sub-paragraph (1) applies to a removal of goods if—

- (a) the removal is not (ignoring sub-paragraph (1)) made in the course of a taxable supply,
- (b) before the removal the goods were supplied to, or were imported by, the person who removed them (“P”),
- (c) P is, at the time of that supply or importation and at the time of the removal, a taxable person,
- (d) P has incurred VAT on that supply or importation,
- (e) the removal takes place within 12 months of P becoming liable to that VAT,
- (f) some, or all, of the VAT incurred on the supply or importation has not been credited as input tax in relation to P because it has, before the removal, been attributed to—
 - (i) both taxable and exempt supplies, or
 - (ii) exempt supplies, and
- (g) either—
 - (i) P has not used the goods before their removal, or
 - (ii) P meets the condition in sub-paragraph (3).

(3) That condition is that P uses the goods, after their removal, exclusively for the purpose of making—

- (a) in a case falling within sub-paragraph (2)(f)(i), both taxable and exempt supplies, or
- (b) in a case falling within sub-paragraph (2)(f)(ii), exempt supplies.

(4) A supply of goods which is treated as arising under sub-paragraph (1) is zero-rated.

(5) VAT incurred by P on the removal of the goods from Great Britain to Northern Ireland (see paragraph 3(4)) is not to be treated as attributable (for the purposes of section 26) to the supply treated as arising under sub-paragraph (1).”