
STATUTORY INSTRUMENTS

2020 No. 1545

**The Value Added Tax (Miscellaneous Amendments,
Northern Ireland Protocol and Savings and
Transitional Provisions) (EU Exit) Regulations 2020**

Part 4

Savings and transitional Provisions

Transitional provision in relation to acquisition VAT

113.—(1) Paragraph (2) applies where—

- (a) a supply of goods as is mentioned in section 14(2) of VATA 1994 (as it had effect immediately before IP completion day) is treated as an acquisition of goods from a member State;
- (b) the time that such acquisition is treated as taking place, as determined by section 12 of VATA 1994 (as it had effect immediately before IP completion day), falls before IP completion day; and
- (c) the goods so supplied (or any part of them) enter the territory of the United Kingdom on or after IP completion day.

(2) Where this paragraph applies—

- (a) the person who is liable for the acquisition VAT charged in relation to the transaction described in paragraph (1) must account for the full value of the supply, including that which relates to the installation or assembly (as the case may be) of the goods, as if the Part 3 amendments and the secondary legislation amendments, insofar as they relate to acquisition VAT, had no effect;
- (b) in cases where the person mentioned in sub-paragraph (a) is also liable for import VAT on the importation of the same goods, that person must—
 - (i) account for the import VAT in the manner prescribed by regulation 4 of the accounting procedures Regulations, as if that provision required (rather than permitted) the person to account for import VAT in that manner, provided that the conditions in regulation 5 of those Regulations are met, and
 - (ii) when accounting for the import VAT—
 - (aa) reduce its amount by the amount of the acquisition VAT for which that person is also liable in relation to the same goods, or
 - (bb) if the liability for acquisition VAT is greater than the corresponding liability for import VAT, reduce the amount accounted for in respect of import VAT to nil; and
- (c) the person liable for the import VAT, if otherwise entitled to credit for input tax in respect of that charge under section 25 of VATA 1994, is not entitled to such credit for any sum greater than the net amount of import VAT accounted for under sub-paragraph (b).