
STATUTORY INSTRUMENTS

2020 No. 1545

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

Part 2

Amendment of secondary legislation relating to value added tax

Part 16 (importations, exportations and removals)

67. For regulation 121D (adaptations and exceptions for the application of returned goods relief) substitute—

“121D Modifications and exceptions for the application of returned goods relief

(1) For the purposes of relief from import VAT⁽¹⁾ 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⁽²⁾ 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

(1) See section 1(1)(c) of VATA.

(2) [S.I. 2018/1249](#).

- (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(3) 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)(4).
- (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(5) (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(6).
- (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.”.

(3) Section 24 was amended by section 17(2) of the Finance Act 2003 (c. 14), section 19 and paragraphs 1(1) to (7) and 9 of Schedule 8 to the Finance (No. 3) Act 2010 (c. 33), and paragraph 24 of Schedule 8 to TCTA. The amendments made by TCTA are not yet in force.

(4) There are amendments to section 16(1) but none is relevant. A new section 16 (which concerns the application of customs enactments in relation to the importation of goods) is substituted by paragraph 13 of Schedule 8 to TCTA (the substitution is not yet in force).

(5) Section 7 was amended by paragraph 2 of Schedule 3 to the Finance Act 1996 (c. 8), paragraph 3 of Part 1 of Schedule 36 to the Finance Act 2009 (c. 10), paragraph 3 of Schedule 28 to the Finance Act 2012 (c. 14), and paragraph 7 of Schedule 8 to the TCTA. The amendments made by TCTA are not yet in force.

(6) 2010 c. 4; there are no amendments to sections 1122 and 1123.