
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Value Added Tax Act 1994 (“VATA”) to introduce a new zero rate and amend the Value Added Tax (Special Provisions) Order 1995 ([S.I. 1995/1268](#)) to limit the application of the margin scheme in certain cases.

They also amend various statutory instruments relating to value added tax (“VAT”) for the purpose of making changes that are appropriate in consequence of, or otherwise in connection with, the withdrawal of the United Kingdom from the EU, including changes to secondary legislation made in relation to the Protocol on Ireland/Northern Ireland agreed between the EU and the United Kingdom as part of the Withdrawal Agreement.

Regulation 1 provides for citation and commencement.

Regulations 2 to 4 amend Group 8 of Schedule 8 to VATA (zero rating: transport) to apply the zero rate of VAT to supplies of services for the handling of railway vehicles which are on, or being prepared for, an international journey and for handling or storing goods on those railway vehicles.

Regulations 5 and 6 amend the Value Added Tax (Terminal Markets) Order 1973 ([S.I. 1973/173](#)) to update cross-references to VAT legislation so that the references refer to the legislation as it now appears in Schedule 9ZA to VATA which was inserted by paragraph 2 of Schedule 2 to the Taxation (Post-transition Period) Act 2020 (c. 26) (“TPTPA”).

Regulations 7 to 9 amend the Value Added Tax (Imported Goods) Relief Order 1984 ([S.I. 1984/746](#)) to correct minor errors which do not obscure the legislative intent, but which ought to be corrected to avoid misleading readers.

Regulations 10 and 11 amend the Value Added Tax (Cars) Order 1992 ([S.I. 1992/3122](#)) to update a cross-reference to VAT legislation so that the reference refers to the legislation as it now appears in Schedule 9ZA to VATA.

Regulations 12 and 13 amend the Value Added Tax (Special Provisions) Order 1995 ([S.I. 1995/1268](#)) to ensure that the relief provided for in article 12 of that Order cannot apply in relation to imported goods that are treated as supplied in the United Kingdom as a result of section 7(5B) of VATA or in relation to certain supplies of goods that are treated as made by the operator of an online marketplace under section 5A of VATA (supplies where the goods are located in the United Kingdom but the supplier is established outside the United Kingdom).

Regulations 14 to 53 amend the Value Added Tax Regulations 1995 ([S.I. 1995/2518](#)).

Regulations 15 to 26, 28 to 35 and 48 to 53 update cross-references to VAT legislation so that the references refer to the legislation as it now appears in Schedules 9ZA and 9ZB to VATA (Schedule 9ZB was inserted by paragraph 2 of Schedule 2 to TPTPA).

Regulation 27 amends regulation 39 (calculation of returns) to allow the Commissioners for Revenue and Customs to specify additional requirements in relation to the completion of a return in a public notice and update the references to boxes and legends on the VAT return to reflect changes made following the United Kingdom’s departure from the EU.

Regulations 36 to 38 amend regulations 101, 109A and 110 to correct minor errors which do not obscure the legislative intent, but which ought to be corrected to avoid misleading readers.

Regulation 39 amends regulation 118 to update the references to the enactments that are excepted.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

Regulations 40 and 41 amend Part 16 and regulations 44 and 45(a) amend Part 16ZA to ensure that certain reliefs do not apply to goods moving between Northern Ireland and Great Britain or vice versa to remove both the risk of double taxation and the risk that goods may be untaxed.

Regulations 45(b) and 46 amend regulations 133E and 133G to correct minor errors which do not obscure the legislative intent, but which ought to be corrected to avoid misleading readers.

Regulations 42, 43 and 47 amend Part 16ZA (importations, exportations and removals in respect of Northern Ireland) to make additional necessary provision in relation to importations, exportations and removals so far as concerning value added tax in respect of Northern Ireland that was previously contained in tertiary legislation.

Regulations 54 and 55 amend the Value Added Tax (Removal of Gas, Electricity, Heat and Cooling) Order 2010 (S.I. 2010/2925) to update cross-references to VAT legislation so that the references refer to the legislation as it now appears in Schedule 9ZB to VATA.

Regulations 56 to 58 amend the Value Added Tax (Accounting Procedures for Import VAT for VAT Registered Persons and Amendment) (EU Exit) Regulations 2019 (S.I. 2019/60) to provide that import VAT chargeable on the importation of relevant goods on or after 1st August 2021 that is accounted for in accordance with those regulations should, in the event of an overstatement or understatement, be adjusted in the manner prescribed for output tax by regulation 34 of the Value Added Tax Regulations 1995.

Regulations 59 to 64 amend the Value Added Tax (Northern Ireland) (EU Exit) Regulations 2020 (S.I. 2020/1546).

Regulations 60 and 61 make minor and consequential amendments to regulations 3 to 7.

Regulation 62 inserts a new regulation 6A to provide that where in the course of a removal from Great Britain to Northern Ireland goods are declared to a special customs procedure in an EU member State, the person who causes those goods to be released into free circulation is the person who is liable for the VAT on the removal. This is an exception to the rules in Schedule 9ZB to VATA.

Regulation 63 amends regulation 17 (requirement to produce import document) to be provided in certain circumstances and update the information that a taxable person who is required to produce an import document under regulation 17 of those Regulations must include in such a document.

Regulation 64 amends regulation 21 (entitlement of taxable persons to deduct input tax) to provide that a person who is liable for the VAT on the entry of goods into Northern Ireland (or Great Britain as the case may be) pursuant to paragraph 4(3) of Schedule 9ZB to VATA is not permitted to deduct that VAT as input tax.

Any public notice referred to in these Regulations will be made available on the www.gov.uk website as described in that link. Free of charge hard copies will be available on request from the HMRC helpline on 0300 200 3700 (+44 2920 501 2621 for outside the UK requests) or by writing to HM Revenue and Customs – VAT Written Enquiries Team, 123 St. Vincent Street, Glasgow City, Glasgow G2 5EA, United Kingdom.

A Tax Information and Impact Note covering this instrument will be published on the website at <https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins>