

1 Administration of VAT

The Schedule contains provision about the administration of VAT.

SCHEDULE

Section 1

ADMINISTRATION OF VAT

- 1 VATA 1994 is amended as follows.
- 2 (1) Section 18B (fiscally warehoused goods: relief) is amended as follows.
 - (2) In subsection (1)(d) omit “be in such form and”.
 - (3) In subsection (2)(d) omit “in such form as the Commissioners may by regulations specify”.
 - (4) After subsection (2) insert –
 - “(2A) A certificate under subsection (1)(d) or (2)(d) must be in such form as may be specified by regulations or by the Commissioners in accordance with regulations.”
- 3 (1) Section 18C (warehouses and fiscal warehouses: services) is amended as follows.
 - (2) In subsection (1)(c) omit “, in such a form as the Commissioners may by regulations specify,”.
 - (3) After subsection (1) insert –
 - “(1A) A certificate under subsection (1)(c) must be in such form as may be specified by regulations or by the Commissioners in accordance with regulations.”
- 4 In section 35(2) (refund of VAT to persons constructing certain buildings), for the words following paragraph (c) substitute –
 - “as may be specified by regulations or by the Commissioners in accordance with regulations.”
- 5 (1) Section 39(3) (repayment of VAT to those in business overseas) is amended as follows.
 - (2) Before paragraph (a) insert –
 - “(za) for claims to be made in such form and manner as may be specified in the scheme or by the Commissioners in accordance with the scheme;”.
 - (3) For paragraph (c) substitute –
 - “(c) for generally regulating –
 - (i) the time by which claims must be made, and
 - (ii) the methods by which the amount of any repayment is to be determined and the repayment is to be made.”
- 6 (1) Section 48 (VAT representatives) is amended as follows.

- (2) For subsection (1B)(c) substitute –
 “(c) Council Regulation (EC) No 904/2010 of 7 October 2010 on administrative cooperation and combating fraud in the field of value added tax.”
- (3) After subsection (4) insert –
 “(4A) Regulations under subsection (4) may require a notification under that subsection to be made in such form and manner, and to contain such particulars, as may be specified in the regulations or by the Commissioners in accordance with the regulations.”
- 7 In section 54(6)(a) (farmers etc) –
 (a) omit “the form and manner in which”, and
 (b) for “is to be made” substitute “to be made in the form and manner specified in the regulations or by the Commissioners in accordance with the regulations”.
- 8 In Schedule 1 (registration in respect of taxable supplies), in paragraph 17 (notifications) –
 (a) after “form” insert “and manner”, and
 (b) for “as the Commissioners may by regulations prescribe” substitute “as may be specified in regulations or by the Commissioners in accordance with regulations.”
- 9 In Schedule 2 (registration in respect of supplies from other member States), in paragraph 9 (notifications) –
 (a) after “form” insert “and manner”, and
 (b) for “as the Commissioners may by regulations prescribe” substitute “as may be specified in regulations or by the Commissioners in accordance with regulations.”
- 10 In Schedule 3 (registration in respect of acquisitions from other member States), in paragraph 10 (notifications) –
 (a) after “form” insert “and manner”, and
 (b) for “as the Commissioners may by regulations prescribe” substitute “as may be specified in regulations or by the Commissioners in accordance with regulations.”
- 11 In Schedule 3A (registration in respect of disposals of assets for which a VAT repayment is claimed), in paragraph 8 (notifications) –
 (a) after “form” insert “and manner”, and
 (b) for “as the Commissioners may by regulations prescribe” substitute “as may be specified in regulations or by the Commissioners in accordance with regulations.”
- 12 (1) Paragraph 2 of Schedule 11 (accounting for VAT and payment of VAT) is amended as follows.
- (2) In sub-paragraph (1) (keeping accounts and making returns), insert at the end “or by the Commissioners in accordance with the regulations.”
- (3) In sub-paragraph (3) (statements containing particulars of certain transactions) –

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- (a) for paragraph (b) substitute –
 - “(b) specified by the Commissioners in accordance with the regulations,” and
 - (b) for “prescribed” substitute “so specified”.
- (4) In sub-paragraph (3A) (statements containing particulars of certain supplies) –
- (a) for paragraph (b) substitute –
 - “(b) specified by the Commissioners in accordance with the regulations,” and
 - (b) for “prescribed” substitute “so specified”.
- (5) In sub-paragraph (3B) (notification of certain events), for “determined by the Commissioners in accordance with powers conferred by the regulations” substitute “by the Commissioners in accordance with the regulations”.
- (6) In sub-paragraph (4) (notification of acquisition of certain goods), insert at the end “or (in the case of the notification requirement) by the Commissioners in accordance with the regulations”.
- (7) In sub-paragraph (5)(a) (further provision about notifications), after “regulations” insert “or by the Commissioners in accordance with the regulations”.
- 13 In consequence of the amendments made by this Schedule –
- (a) in FA 1996 omit section 30(2), and
 - (b) in FA 2009 omit section 77(2)(d).

EXPLANATORY NOTE

ADMINISTRATION OF VAT

SUMMARY

1. This Schedule amends the Value Added Tax Act 1994 ('VATA') so that the form and manner in which persons are required to make certain communications to the Commissioners for HM Revenue and Customs ("the Commissioners") (and, in some cases, the particulars or information and documents to be provided) can be specified in regulations or in accordance with regulations. The communications are applications to register for VAT, make returns or statements, submit claims or request refunds, keep accounts, notify certain transactions and events and request certification. The Schedule also makes consequential amendments to the Finance Acts 1996 and 2009 and updates a reference to EU law.

DETAILS OF THE SCHEDULE

2. Paragraph 2 provides that the certificate required to evidence that acquired eligible goods are to be placed in a fiscal warehousing regime must be in the form specified by the Commissioners in or in accordance with regulations.
3. Paragraph 3 provides that the certificate a person gives to a supplier to evidence that supplies of specified services are in relation to goods subject to a warehousing or fiscal warehousing regime must be in the form specified by the Commissioners in or in accordance with regulations.
4. Paragraph 4 provides that a claim by a person requesting a refund of VAT relating to the construction or conversion of certain buildings must be made in the form and manner, contain the information and be accompanied by the documents specified by the Commissioners in or in accordance with regulations.
5. Paragraph 5 provides that businesses established outside the UK who request a refund of VAT incurred in the UK must make such a claim in the form and manner specified by the Commissioners in or in accordance with regulations.
6. Paragraph 6(2) updates the reference to EU law in Section 48 VATA following the replacement of Council Regulation (EC) No 1798/2003 by Council Regulation (EC) No 904/2010.

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7. Paragraph 6(3) provides that, where a tax representative is appointed or ceases to act on behalf of another taxable person who is not established in the UK, the required notification must be made in the form and manner and contain the particulars specified by the Commissioners in or in accordance with regulations.
8. Paragraph 7 provides that a person who wants to apply to join or leave the VAT Agricultural Flat Rate Scheme must do so in the form and manner specified by the Commissioners in or in accordance with regulations.
9. Paragraphs 8 - 11 provides that any notification that is required by any provision of Schedules 1 to 3A to VATA must be made in the form and manner and contain the particulars specified by the Commissioners in or in accordance with regulations.
10. Paragraph 12(2) provides that persons who are required to keep VAT accounts and make VAT returns must do so in the form and manner specified by the Commissioners in or in accordance with regulations.
11. Paragraph 12 (3), (4) and (5) make consequential amendments to ensure that the wording of paragraph 2 of Schedule 11 VATA is consistent.
12. Paragraph 12 (6) and (7) provide that a notification of the acquisition of certain goods must be made in the form and manner and contain the particulars specified by the Commissioners in or in accordance with regulations.

Amendment of Finance Acts 1996 and 2009

13. Paragraph 13 repeals:
 - (a) section 30(2) of the FA 1996 (which amended VATA, Section 35(2)), as a result of the amendment made by paragraph 4.
 - (b) section 77(2)(d) of the FA 2009 (which amended VATA, Section 39(3)), as a result of the amendment made by paragraph 5.

BACKGROUND NOTE

14. These amendments to VATA will allow the Commissioners of HM Revenue and Customs (HMRC) to determine the form of a number of specific communications (which were previously contained in Schedule 1 to the VAT Regulations 1995) in tertiary law. These prescribed VAT forms are a small subset of the total number of VAT forms that HMRC make available to businesses to facilitate notifications and other communications. The amendments will enable

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HMRC to update and revise the prescribed VAT forms without having to amend the VAT Regulations 1995 and therefore respond more quickly to changing business needs.

15. If you have any questions about this legislation, please contact Gareth McDonnell (email: gareth.mcdonnell@hmrc.gov.uk).