

EXPLANATORY NOTE

VALUE ADDED TAX – ADMINISTRATION OF VAT

SUMMARY

1. This clause 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 clause also makes consequential amendments to the Finance Acts 1996 and 2009 and updates a reference to EU law.

DETAILS OF THE CLAUSE

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.

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 94, Section 35(2)), as a result of the amendment made by paragraph 4.
 - (b) section 77(2)(d) of the FA 2009 (which amended VATA94, 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 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 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).