

SCHEDULES

SCHEDULE 3

VALUE ADDED TAX: ABOLITION OF FISCAL FRONTIERS ETC.

PART I

AMENDMENTS OF THE VALUE ADDED TAX ACT 1983 (C. 55)

Registration in respect of supplies and acquisitions from other member States

59 After Schedule 1 there shall be inserted the following Schedules—

“SCHEDULE 1A

REGISTRATION IN RESPECT OF SUPPLIES FROM OTHER MEMBER STATES

Liability to be registered

- 1 (1) A person who—
 - (a) is not registered under this Act; and
 - (b) is not liable to be registered under Schedule 1 to this Act,becomes liable to be registered under this Schedule on any day if, in the period beginning with 1st January of the year in which that day falls, that person has made relevant supplies whose value exceeds £70,000.
- (2) A person who is not registered or liable to be registered as mentioned in sub-paragraph (1)(a) and (b) above becomes liable to be registered under this Schedule where—
 - (a) that person has exercised any option, in accordance with the law of any other member State where he is taxable, for treating relevant supplies made by him as taking place outside that member State;
 - (b) the supplies to which the option relates involve the removal of goods from that member State and, apart from the exercise of the option, would be treated, in accordance with the law of that member State, as taking place in that member State; and
 - (c) that person makes a relevant supply at a time when the option is in force in relation to him.
- (3) A person who is not registered or liable to be registered as mentioned in sub-paragraph (1)(a) and (b) above becomes liable to be registered under this Schedule if he makes a supply in relation to which the following conditions are satisfied, that is to say—

Status: This is the original version (as it was originally enacted).

- (a) it is a supply of goods subject to a duty of excise;
 - (b) it involves the removal of the goods to the United Kingdom by or under the directions of the person making the supply;
 - (c) it is a transaction in pursuance of which the goods are acquired in the United Kingdom from another member State by a person who is not a taxable person;
 - (d) it is made at a time after the coming into force of this Schedule and in the course or furtherance of a business carried on by the supplier; and
 - (e) it is not anything which is treated as a supply for the purposes of this Act by virtue only of paragraph 5(1) or 5A of Schedule 2 to this Act.
- (4) A person shall be treated as having become liable to be registered under this Schedule at any time when he would have become so liable under the preceding provisions of this paragraph but for any registration which is subsequently cancelled under paragraph 6(2) below, paragraph 10 of Schedule 1 to this Act or paragraph 6(3) of Schedule 1B to this Act.
- (5) A person shall not cease to be liable to be registered under this Schedule except in accordance with paragraph 2 below.
- (6) In determining for the purposes of this paragraph the value of any relevant supplies so much of the consideration for any supply as represents any liability of the supplier, under the law of another member State, for value added tax on that supply shall be disregarded.
- 2 (1) Subject to sub-paragraph (2) below, a person who has become liable to be registered under this Schedule shall cease to be so liable if at any time—
- (a) the relevant supplies made by him in the year ending with 31st December last before that time did not have a value exceeding £70,000 and did not include any supply in relation to which the conditions mentioned in paragraph 1(3) above were satisfied; and
 - (b) the Commissioners are satisfied that the value of his relevant supplies in the year immediately following that year will not exceed £70,000 and that those supplies will not include a supply in relation to which those conditions are satisfied.
- (2) A person shall not cease to be liable to be registered under this Schedule at any time when such an option as is mentioned in paragraph 1(2) above is in force in relation to him.

Notification of liability and registration

- 3 (1) A person who becomes liable to be registered under this Schedule shall notify the Commissioners of the liability within the period of thirty days after the day on which the liability arises.
- (2) The Commissioners shall register any such person (whether or not he so notifies them) with effect from the day on which the liability arose or from such earlier time as may be agreed between them and him.

Status: This is the original version (as it was originally enacted).

Request to be registered

- 4 (1) Where a person who is not liable to be registered under this Act and is not already so registered—
- (a) satisfies the Commissioners that he intends—
 - (i) to exercise an option such as is mentioned in paragraph 1(2) above and, from a specified date, to make relevant supplies to which that option will relate;
 - (ii) from a specified date to make relevant supplies to which any such option that he has exercised will relate; or
 - (iii) from a specified date to make supplies in relation to which the conditions mentioned in paragraph 1(3) above will be satisfied;
- and
- (b) requests to be registered under this Schedule, the Commissioners may, subject to such conditions as they think fit to impose, register him with effect from such date as may be agreed between them and him.
- (2) Conditions imposed under sub-paragraph (1) above—
- (a) may be so imposed wholly or partly by reference to, or without reference to, any conditions prescribed for the purposes of this paragraph; and
 - (b) may, whenever imposed, be subsequently varied by the Commissioners.
- (3) Where a person who is entitled to be registered under paragraph 5 or 5A of Schedule 1 to this Act requests registration under this paragraph, he shall be registered under that Schedule, and not under this Schedule.

Notification of matters affecting continuance of registration

- 5 (1) Any person registered under this Schedule who ceases to be registrable under this Act shall notify the Commissioners of that fact within thirty days of the day on which he does so.
- (2) A person registered under paragraph 4 above by reference to any intention of his to exercise any option or to make supplies of any description shall notify the Commissioners, within thirty days of exercising that option or, as the case may be, of the first occasion after his registration when he makes such a supply, that he has exercised the option or made such a supply.
- (3) A person who has exercised such an option as is mentioned in paragraph 1(2) above which, as a consequence of its revocation or otherwise, ceases to have effect in relation to any relevant supplies by him shall notify the Commissioners, within thirty days of the option's ceasing so to have effect, that it has done so.
- (4) For the purposes of this paragraph a person ceases to be registrable under this Act where—

Status: This is the original version (as it was originally enacted).

- (a) he ceases to be a person who would be liable or entitled to be registered under this Act if his registration and any enactment preventing a person from being liable to be registered under different provisions at the same time were disregarded; or
- (b) in the case of a person who (having been registered under paragraph 4 above) has not been such a person during the period of his registration, he ceases to have any such intention as is mentioned in sub-paragraph (1)(a) of that paragraph.

Cancellation of registration

- 6 (1) Subject to paragraph 7 below, where a person registered under this Schedule satisfies the Commissioners that he is not liable to be so registered, they shall, if he so requests, cancel his registration with effect from the day on which the request is made or from such later date as may be agreed between them and him.
- (2) Where the Commissioners are satisfied that, on the day on which a person was registered under this Schedule, he—
- (a) was not liable to be registered under this Schedule; and
 - (b) in the case of a person registered under paragraph 4 above, did not have the intention by reference to which he was registered, they may cancel his registration with effect from that day.
- (3) Subject to paragraph 7 below, where the Commissioners are satisfied that a person who has been registered under paragraph 4 above and is not for the time being liable to be registered under this Schedule—
- (a) has not, by the date specified in his request to be registered, begun to make relevant supplies, exercised the option in question or, as the case may be, begun to make supplies in relation to which the conditions mentioned in paragraph 1(3) above are satisfied; or
 - (b) has contravened any condition of his registration, they may cancel his registration with effect from the date so specified or, as the case may be, the date of the contravention or from such later date as may be agreed between them and him.

Conditions of cancellation

- 7 (1) The Commissioners shall not, under paragraph 6(1) above, cancel a person's registration with effect from any time unless they are satisfied that it is not a time when that person would be subject to a requirement to be registered under this Act.
- (2) The Commissioners shall not, under paragraph 6(3) above, cancel a person's registration with effect from any time unless they are satisfied that it is not a time when that person would be subject to a requirement, or entitled, to be registered under this Act.
- (3) The registration of a person who has exercised such an option as is mentioned in paragraph 1(2) above shall not be cancelled with effect from any time before the 1st January which is, or next follows, the second anniversary of the date on which his registration took effect.

- (4) In determining for the purposes of this paragraph whether a person would be subject to a requirement, or entitled, to be registered at any time, so much of any provision of this Act as prevents a person from becoming liable or entitled to be registered when he is already registered or when he is so liable under any other provision shall be disregarded.

Power to vary specified sums by order

- 8 The Treasury may by order substitute for any of the sums for the time being specified in this Schedule such greater sums as they think fit.

Supplementary

- 9 Any notification required under this Schedule shall be made in such form and shall contain such particulars as the Commissioners may by regulations prescribe.

- 10 For the purposes of this Schedule a supply of goods is a relevant supply where—

- (a) the supply involves the removal of the goods to the United Kingdom by or under the directions of the person making the supply;
- (b) the supply does not involve the installation or assembly of the goods at a place in the United Kingdom;
- (c) the supply is a transaction in pursuance of which goods are acquired in the United Kingdom from another member State by a person who is not a taxable person;
- (d) the supply is made at a time after the coming into force of this Schedule and in the course or furtherance of a business carried on by the supplier; and
- (e) the supply is neither an exempt supply nor a supply of goods which are subject to a duty of excise or consist in a new means of transport and is not anything which is treated as a supply for the purposes of this Act by virtue only of paragraph 5(1) or 5A of Schedule 2 to this Act.

SCHEDULE 1B

REGISTRATION IN RESPECT OF ACQUISITIONS FROM OTHER MEMBER STATES

Liability to be registered

- 1 (1) A person who—
- (a) is not registered under this Act; and
 - (b) is not liable to be registered under Schedule 1 or 1A to this Act,
- becomes liable to be registered under this Schedule at the end of any month if, in the period beginning with 1st January of the year in which that month falls, that person has made relevant acquisitions whose value exceeds £36,600.

Status: This is the original version (as it was originally enacted).

- (2) A person who is not registered or liable to be registered as mentioned in sub-paragraph (1)(a) and (b) above becomes liable to be registered under this Schedule at any time if there are reasonable grounds for believing that the value of his relevant acquisitions in the period of thirty days then beginning will exceed £36,600.
 - (3) A person shall be treated as having become liable to be registered under this Schedule at any time when he would have become so liable under the preceding provisions of this paragraph but for any registration which is subsequently cancelled under paragraph 6(3) below, paragraph 10 of Schedule 1 to this Act or paragraph 6(2) of Schedule 1A to this Act.
 - (4) A person shall not cease to be liable to be registered under this Schedule except in accordance with paragraph 2 below.
 - (5) In determining the value of any person's relevant acquisitions for the purposes of this paragraph, so much of the consideration for any acquisition as represents any liability of the supplier, under the law of another member State, for value added tax on the transaction in pursuance of which the acquisition is made, shall be disregarded.
- 2
- (1) Subject to sub-paragraph (2) below, a person who has become liable to be registered under this Schedule shall cease to be so liable if at any time—
 - (a) his relevant acquisitions in the year ending with 31st December last before that time did not have a value exceeding £36,600; and
 - (b) the Commissioners are satisfied that the value of his relevant acquisitions in the year immediately following that year will not exceed £36,600.
 - (2) A person shall not cease to be liable to be registered under this Schedule at any time if there are reasonable grounds for believing that the value of that person's relevant acquisitions in the period of thirty days then beginning will exceed £36,600.

Notification of liability and registration

- 3
- (1) A person who becomes liable to be registered under this Schedule shall notify the Commissioners of the liability—
 - (a) in the case of a liability under sub-paragraph (1) of paragraph 1 above, within thirty days of the end of the month when he becomes so liable; and
 - (b) in the case of a liability under sub-paragraph (2) of that paragraph, before the end of the period by reference to which the liability arises.
 - (2) The Commissioners shall register any such person (whether or not he so notifies them) with effect from the relevant time or from such earlier time as may be agreed between them and him.
 - (3) In this paragraph “the relevant time”—
 - (a) in a case falling within paragraph (a) of sub-paragraph (1) above, means the end of the month following the month at the end of which the liability arose; and

Status: This is the original version (as it was originally enacted).

- (b) in a case falling within paragraph (b) of that sub-paragraph, means the beginning of the period by reference to which the liability arose.

Entitlement to be registered etc.

- 4 (1) Where a person who is not liable to be registered under this Act and is not already so registered satisfies the Commissioners that he makes relevant acquisitions, they shall, if he so requests, register him with effect from the day on which the request is made or from such earlier date as may be agreed between them and him.
- (2) Where a person who is not liable to be registered under this Act and is not already so registered—
 - (a) satisfies the Commissioners that he intends to make relevant acquisitions from a specified date; and
 - (b) requests to be registered under this Schedule,the Commissioners may, subject to such conditions as they think fit to impose, register him with effect from such date as may be agreed between them and him.
- (3) Conditions imposed under sub-paragraph (2) above—
 - (a) may be so imposed wholly or partly by reference to, or without reference to, any conditions prescribed for the purposes of this paragraph; and
 - (b) may, whenever imposed, be subsequently varied by the Commissioners.
- (4) Where a person who is entitled to be registered under paragraph 5 or 5A of Schedule 1 to this Act requests registration under this paragraph, he shall be registered under that Schedule, and not under this Schedule.

Notification of matters affecting continuance of registration

- 5 (1) Any person registered under this Schedule who ceases to be registrable under this Act shall notify the Commissioners of that fact within thirty days of the day on which he does so.
- (2) A person registered under paragraph 4(2) above shall notify the Commissioners, within thirty days of the first occasion after his registration when he makes a relevant acquisition, that he has done so.
- (3) For the purposes of this paragraph a person ceases to be registrable under this Act where—
 - (a) he ceases to be a person who would be liable or entitled to be registered under this Act if his registration and any enactment preventing a person from being liable to be registered under different provisions at the same time were disregarded; or
 - (b) in the case of a person who (having been registered under sub-paragraph (2) of paragraph 4 above) has not been such a person during the period of his registration, he ceases to have any intention of making relevant acquisitions.

Status: This is the original version (as it was originally enacted).

Cancellation of registration

- 6
- (1) Subject to paragraph 7 below, where a person registered under this Schedule satisfies the Commissioners that he is not liable to be so registered, they shall, if he so requests, cancel his registration with effect from the day on which the request is made or from such later date as may be agreed between them and him.
 - (2) Subject to paragraph 7 below, where the Commissioners are satisfied that a person registered under this Schedule has ceased since his registration to be registrable under this Schedule, they may cancel his registration with effect from the day on which he so ceased or from such later date as may be agreed between them and him.
 - (3) Where the Commissioners are satisfied that, on the day on which a person was registered under this Schedule, he—
 - (a) was not registrable under this Schedule; and
 - (b) in the case of a person registered under paragraph 4(2) above, did not have the intention by reference to which he was registered,they may cancel his registration with effect from that day.
 - (4) Subject to paragraph 7 below, where the Commissioners are satisfied that a person who has been registered under paragraph 4(2) above and is not for the time being liable to be registered under this Schedule—
 - (a) has not begun, by the date specified in his request to be registered, to make relevant acquisitions; or
 - (b) has contravened any condition of his registration,they may cancel his registration with effect from the date so specified or, as the case may be, the date of the contravention or from such later date as may be agreed between them and him.
 - (5) For the purposes of this paragraph a person is registrable under this Schedule at any time when he is liable to be registered under this Schedule or is a person who makes relevant acquisitions.

Conditions of cancellation

- 7
- (1) The Commissioners shall not, under paragraph 6(1) above, cancel a person's registration with effect from any time unless they are satisfied that it is not a time when that person would be subject to a requirement to be registered under this Act.
 - (2) The Commissioners shall not, under paragraph 6(2) or (4) above, cancel a person's registration with effect from any time unless they are satisfied that it is not a time when that person would be subject to a requirement, or entitled, to be registered under this Act.
 - (3) Subject to sub-paragraph (4) below, the registration of a person who—
 - (a) is registered under paragraph 4 above; or

Status: This is the original version (as it was originally enacted).

- (b) would not, if he were not registered, be liable or entitled to be registered under any provision of this Act except paragraph 4 above,

shall not be cancelled with effect from any time before the 1st January which is, or next follows, the second anniversary of the date on which his registration took effect.

- (4) Sub-paragraph (3) above does not apply to cancellation under paragraph 6(3) or (4) above.
- (5) In determining for the purposes of this paragraph whether a person would be subject to a requirement, or entitled, to be registered at any time, so much of any provision of this Act as prevents a person from becoming liable or entitled to be registered when he is already registered or when he is so liable under any other provision shall be disregarded.

Exemption from registration

- 8 (1) Notwithstanding the preceding provisions of this Schedule, where a person who makes or intends to make relevant acquisitions satisfies the Commissioners that any such acquisition would be an acquisition in pursuance of a transaction which would be zero-rated if it were a taxable supply by a taxable person, they may, if he so requests and they think fit, exempt him from registration under this Schedule until it appears to them that the request should no longer be acted upon or is withdrawn.
- (2) Where a person who is exempted under this paragraph from registration under this Schedule makes any relevant acquisition in pursuance of any transaction which would, if it were a taxable supply by a taxable person, be chargeable to tax otherwise than as a zero-rated supply, he shall notify the Commissioners of the change within thirty days of the date on which he made the acquisition.

Power to vary specified sums by order

- 9 The Treasury may by order substitute for any of the sums for the time being specified in this Schedule such greater sums as they think fit.

Supplementary

- 10 Any notification required under this Schedule shall be made in such form and shall contain such particulars as the Commissioners may by regulations prescribe.
- 11 For the purposes of this Schedule an acquisition of goods from another member State is a relevant acquisition where—
- (a) it is a taxable acquisition of goods other than goods which are subject to a duty of excise or consist in a new means of transport;
- (b) it is an acquisition otherwise than in pursuance of a taxable supply and is treated, for the purposes of this Act, as taking place in the United Kingdom; and

Status: This is the original version (as it was originally enacted).

- (c) the event which, in relation to that acquisition, is the first relevant event for the purposes of taxing that acquisition occurs after the coming into force of this Schedule.”