

STATUTORY INSTRUMENTS

1995 No. 2518

The Value Added Tax Regulations 1995

PART V

ACCOUNTING, PAYMENT AND RECORDS

[^{F1}25A.—]

^{F2}(A1) Where a person makes a return required by regulation 25 by means of electronic communications using functional compatible software, such a method of making a return shall be referred to in this Part as a “compatible software return system”.]

(1) Where a person makes a return required by regulation 25 using electronic communications [^{F3}other than functional compatible software], such a method of making a return shall be referred to in this Part as an “electronic return system”.

(2) Where a person makes a return [^{F4}or a final return on the relevant form specified in a notice published by the Commissioners], such a method of making a return shall be referred to in this Part as a “paper return system”.

[
^{F5}(2A) A person who is subject to the requirements of regulation 32A, including by virtue of an election in accordance with regulation 32C, must make a return required by regulation 25 using a compatible software return system.]

[^{F6}(3) Subject to [^{F7}paragraphs (2A) above and (6) below], a person who is registered for VAT must make a return required by regulation 25 using an electronic return system [^{F8}that that person is required or authorised to use] whether or not such a person is registered in substitution for another person under regulation 6 (transfer of a going concern).]

(4) In any case where an electronic return system [^{F9}or a compatible software return system] is not used, a return must be made using a paper return system.

^{F10}(5)

(6) ^{F11}... A person—

- (a) who the Commissioners are satisfied is a practising member of a religious society or order whose beliefs are incompatible with the use of electronic communications, or
- (b) to whom an insolvency procedure as described in any of paragraphs (a) to (f) of section 81(4B) of the Act is applied ^{F12}... [^{F13}, or
- (c) for whom the Commissioners are satisfied that it is not reasonably practicable to make a return using an electronic return system (including any electronic return system that that person is authorised to use) for reasons of disability, age, remoteness of location or any other reason]

[^{F14}is not required to make a return required by regulation 25 using an electronic return system].

^{F15}(7)

(8) Where an electronic return system [^{F16}or a compatible software return system] is used, it must take a form approved by the Commissioners in a specific or general direction.

(9) Where a paper return system is used, a return required by regulation 25(1) [^{F17}or 25(4)] must be made on the relevant form specified in a notice published by the Commissioners].

(10) A direction under paragraph (8) above may in particular—

(a) modify or dispense with any requirement of [^{F18}the relevant form specified in a notice published by the Commissioners],

(b) specify circumstances in which the electronic return system [^{F19}or a compatible software return system] may be used, or not used, by or on behalf of the person required to make the return,

[approve telephone filing as a form of electronic return system for use by specified ^{F20}(c) categories of persons.]

For the purposes of sub-paragraph (b), the direction may specify different circumstances for different cases.

(11) An electronic return system [^{F21}or a compatible software return system] shall incorporate an electronic validation process.

(12) Subject to paragraph (13) below and unless the contrary is [^{F22}presumed]—

(a) the use of an electronic return system [^{F23}or a compatible software return system] shall be proved to have resulted in the making of the return to the Controller only if this has been successfully recorded as such by the relevant electronic validation process,

(b) the time of making the return to the Controller using an electronic return system [^{F23}or a compatible software return system] shall be ^{F24}... presumed to be the time recorded as such by the relevant electronic validation process, and

(c) the person delivering the return to the Controller shall be presumed to be the person identified as such by any relevant feature of the electronic return system [^{F23}or a compatible software return system].

(13) No return shall be treated as having been made using an electronic return system [^{F25}or a compatible software return system] unless it is in the form required by paragraph (8) above.

The requirement in paragraph (8) above incorporates the matters mentioned in paragraph (10) above.

(14) A return made using an electronic return system [^{F26}or a compatible software return system] carries the same consequences as a return made using a paper return system, except in relation to any matter for which alternative or additional provision is made by or under this regulation.

(15) [^{F27}Subject to paragraph (15A)] in relation to returns made for prescribed accounting periods which end on or after 31 March 2011, a ^{F28}... person who fails to comply with paragraph [^{F29}(2A) or] (3) above is liable to a penalty.

[
^{F30}(15A) A person who—

(a) on 31 March 2012 was registered for VAT with an effective date of registration before that date,

(b) was not as at 31 March 2012 required to make a return required by regulation 25 using an electronic return system, and

(c) fails to comply with paragraph (3),

is only liable to a penalty in relation to returns made for prescribed accounting periods which end on or after 31 March 2013.]

(16) But a ^{F31}... person who has a reasonable excuse for so failing to comply is not liable to a penalty.

(17) The table below sets out the penalties depending on the level of turnover.

Annual VAT exclusive turnover	Penalty
£22,800,001 and above	£400
£5,600,001 to £22,800,000	£300
£100,001 to £5,600,000	£200
£100,000 and under	£100

(18) A person may appeal against the Commissioners’ decision to impose a penalty only on the ground that—

- (a) that person is not [^{F32}a person required to make a return required by regulation 25 using an electronic return system][^{F33}or a compatible software return system],
- (b) the amount of the penalty is incorrect,
- (c) paragraph (3) above was complied with, or
- (d) paragraph (16) above applies.

(19) In calculating a person’s annual VAT exclusive turnover for the purposes of ^{F34}... the table in paragraph (17) above, the Commissioners shall use any available figures which they determine to be fair and reasonable in the circumstances and such figures shall be taken to be the correct figures for the purposes of the calculation.

(20) Additional time is allowed to make—

- (a) a return using an electronic return system [^{F35}, a compatible software return system] or a paper return system for which any related payment is made solely by means of electronic communications (see regulation 25(1) – time for making return, and regulations 40(2) to 40(4) – payment of VAT), or
- (b) a return using an electronic return system [^{F36}or a compatible software return system] for which no payment is required to be made.

That additional time is only as the Commissioners may allow in a specific or general direction, and such a direction may allow different times for different means of payment.

The Commissioners need not give a direction pursuant to this paragraph.

(21) Where a corporate body is registered in the names of its divisions pursuant to section 46(1) of the Act, each such separately registered division is “a person” for the purposes of paragraphs ^{F37}... (12) and (19) above.

(22) In this regulation—

- ^{F38}(a)
- (b) a reference to an appeal is a reference to an appeal made under section 83(1)(zc) of the Act,
- (c) “reasonable excuse” shall have the same limitation as it does in section 71(1)(b) of the Act.

(23) In paragraphs (8) and (20) above “direction” and “direct” refer only to a current direction, and a direction is not current to the extent that it is varied, replaced or revoked by another Commissioners’ direction.]

Textual Amendments

- F1** Reg. 25A inserted (1.12.2009) by [The Value Added Tax \(Amendment\) \(No. 4\) Regulations 2009](#) (S.I. 2009/2978), regs. 1, **4**
- F2** Reg. 25A(A1) inserted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Value Added Tax \(Amendment\) Regulations 2018](#) (S.I. 2018/261), regs. 1, **4(a)**
- F3** Words in reg. 25A(1) inserted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Value Added Tax \(Amendment\) Regulations 2018](#) (S.I. 2018/261), regs. 1, **4(b)**
- F4** Words in reg. 25A(2) substituted (15.10.2012) by [The Value Added Tax \(Amendment\) \(No. 2\) Regulations 2012](#) (S.I. 2012/1899), regs. 2(2), **14(a)**
- F5** Reg. 25A(2A) inserted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Value Added Tax \(Amendment\) Regulations 2018](#) (S.I. 2018/261), regs. 1, **4(c)**
- F6** Reg. 25A(3) substituted (with effect in accordance with reg. 2 of the amending S.I.) by [The Value Added Tax \(Amendment\) Regulations 2012](#) (S.I. 2012/33), regs. 2, **4**
- F7** Words in reg. 25A(3) substituted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Value Added Tax \(Amendment\) Regulations 2018](#) (S.I. 2018/261), regs. 1, **4(d)**
- F8** Words in reg. 25A(3) inserted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Value Added Tax \(Amendment\) \(No. 2\) Regulations 2014](#) (S.I. 2014/1497), regs. 1(2), **4(a)**
- F9** Words in reg. 25A(4) inserted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Value Added Tax \(Amendment\) Regulations 2018](#) (S.I. 2018/261), regs. 1, **4(e)**
- F10** Reg. 25A(5) omitted (with effect in accordance with reg. 2 of the amending S.I.) by virtue of [The Value Added Tax \(Amendment\) Regulations 2012](#) (S.I. 2012/33), regs. 2, **5**
- F11** Word in reg. 25A(6) omitted (with effect in accordance with reg. 2 of the amending S.I.) by virtue of [The Value Added Tax \(Amendment\) Regulations 2012](#) (S.I. 2012/33), regs. 2, **6(a)**
- F12** Words in reg. 25A(6)(b) omitted (with effect in accordance with reg. 2 of the amending S.I.) by virtue of [The Value Added Tax \(Amendment\) Regulations 2012](#) (S.I. 2012/33), regs. 2, **6(b)**
- F13** Reg. 25A(6)(c) and word inserted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Value Added Tax \(Amendment\) \(No. 2\) Regulations 2014](#) (S.I. 2014/1497), regs. 1(2), **4(b)**
- F14** Words in reg. 25A(6) substituted (with effect in accordance with reg. 2 of the amending S.I.) by [The Value Added Tax \(Amendment\) Regulations 2012](#) (S.I. 2012/33), regs. 2, **6(c)**
- F15** Reg. 25A(7) omitted (with effect in accordance with reg. 2 of the amending S.I.) by virtue of [The Value Added Tax \(Amendment\) Regulations 2012](#) (S.I. 2012/33), regs. 2, **7**
- F16** Words in reg. 25A(8) inserted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Value Added Tax \(Amendment\) Regulations 2018](#) (S.I. 2018/261), regs. 1, **4(e)**
- F17** Words in reg. 25A(9) substituted (15.10.2012) by [The Value Added Tax \(Amendment\) \(No. 2\) Regulations 2012](#) (S.I. 2012/1899), regs. 2(2), **14(b)**
- F18** Words in reg. 25A(10)(a) substituted (15.10.2012) by [The Value Added Tax \(Amendment\) \(No. 2\) Regulations 2012](#) (S.I. 2012/1899), regs. 2(2), **14(c)**
- F19** Words in reg. 25A(10)(b) inserted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Value Added Tax \(Amendment\) Regulations 2018](#) (S.I. 2018/261), regs. 1, **4(e)**
- F20** Reg. 25A(10)(c) inserted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Value Added Tax \(Amendment\) \(No. 2\) Regulations 2014](#) (S.I. 2014/1497), regs. 1(2), **4(c)**
- F21** Words in reg. 25A(11) inserted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Value Added Tax \(Amendment\) Regulations 2018](#) (S.I. 2018/261), regs. 1, **4(e)**
- F22** Word in reg. 25A(12)(a) substituted (1.4.2010) by [The Value Added Tax \(Amendment\) Regulations 2010](#) (S.I. 2010/559), regs. 1, **3(a)**
- F23** Words in reg. 25A(12)(a)-(c) inserted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Value Added Tax \(Amendment\) Regulations 2018](#) (S.I. 2018/261), regs. 1, **4(e)**
- F24** Word in reg. 25A(12)(b) omitted (1.4.2010) by virtue of [The Value Added Tax \(Amendment\) Regulations 2010](#) (S.I. 2010/559), regs. 1, **3(b)**
- F25** Words in reg. 25A(13) inserted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Value Added Tax \(Amendment\) Regulations 2018](#) (S.I. 2018/261), regs. 1, **4(e)**

- F26** Words in reg. 25A(14) inserted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Value Added Tax \(Amendment\) Regulations 2018 \(S.I. 2018/261\)](#), regs. 1, **4(e)**
- F27** Words in reg. 25A(15) inserted (with effect in accordance with reg. 2 of the amending S.I.) by [The Value Added Tax \(Amendment\) Regulations 2012 \(S.I. 2012/33\)](#), regs. 2, **8(a)**
- F28** Word in reg. 25A(15) omitted (with effect in accordance with reg. 2 of the amending S.I.) by virtue of [The Value Added Tax \(Amendment\) Regulations 2012 \(S.I. 2012/33\)](#), regs. 2, **8(b)**
- F29** Words in reg. 25A(15) inserted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Value Added Tax \(Amendment\) Regulations 2018 \(S.I. 2018/261\)](#), regs. 1, **4(f)**
- F30** Reg. 25A(15A) inserted (with effect in accordance with reg. 2 of the amending S.I.) by [The Value Added Tax \(Amendment\) Regulations 2012 \(S.I. 2012/33\)](#), regs. 2, **9**
- F31** Word in reg. 25A(16) omitted (with effect in accordance with reg. 2 of the amending S.I.) by virtue of [The Value Added Tax \(Amendment\) Regulations 2012 \(S.I. 2012/33\)](#), regs. 2, **10**
- F32** Words in reg. 25A(18)(a) substituted (with effect in accordance with reg. 2 of the amending S.I.) by [The Value Added Tax \(Amendment\) Regulations 2012 \(S.I. 2012/33\)](#), regs. 2, **11**
- F33** Words in reg. 25A(18)(a) inserted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Value Added Tax \(Amendment\) Regulations 2018 \(S.I. 2018/261\)](#), regs. 1, **4(e)**
- F34** Words in reg. 25A(19) omitted (with effect in accordance with reg. 2 of the amending S.I.) by virtue of [The Value Added Tax \(Amendment\) Regulations 2012 \(S.I. 2012/33\)](#), regs. 2, **12**
- F35** Words in reg. 25A(20)(a) inserted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Value Added Tax \(Amendment\) Regulations 2018 \(S.I. 2018/261\)](#), regs. 1, **4(g)**
- F36** Words in reg. 25A(20)(b) inserted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Value Added Tax \(Amendment\) Regulations 2018 \(S.I. 2018/261\)](#), regs. 1, **4(e)**
- F37** Word in reg. 25A(21) omitted (with effect in accordance with reg. 2 of the amending S.I.) by virtue of [The Value Added Tax \(Amendment\) Regulations 2012 \(S.I. 2012/33\)](#), regs. 2, **13**
- F38** Reg. 25A(22)(a) omitted (with effect in accordance with reg. 2 of the amending S.I.) by virtue of [The Value Added Tax \(Amendment\) Regulations 2012 \(S.I. 2012/33\)](#), regs. 2, **14**

Changes to legislation:

There are currently no known outstanding effects for the The Value Added Tax Regulations 1995, Section 25A.