



Value Added Tax Act 1994

1994 CHAPTER 23

PART III

APPLICATION OF ACT IN PARTICULAR CASES

49 Transfers of going concerns.

- (1) Where a business [^{F1}, or part of a business,] carried on by a taxable person is transferred to another person as a going concern, then—
 - (a) for the purpose of determining whether the transferee is liable to be registered under this Act he shall be treated as having carried on the business [^{F2} or part of the business] before as well as after the transfer and supplies by the transferor shall be treated accordingly; ^{F3}...
 - ^{F3}(b)
- (2) Without prejudice to subsection (1) above, the Commissioners may by regulations make provision for securing continuity in the application of this Act in cases where a business [^{F4}, or part of a business,] carried on by a taxable person is transferred to another person as a going concern and the transferee is registered under this Act in substitution for the transferor.

[^{F5}(2A) Regulations under subsection (2) above may, in particular, provide for the duties under this Act of the transferor to preserve records relating to the business or part of the business for any period after the transfer to become duties of the transferee unless the Commissioners, at the request of the transferor, otherwise direct.]
- (3) Regulations under subsection (2) above may, in particular, provide—
 - (a) for liabilities and duties under this Act (excluding sections 59 to 70) of the transferor [^{F6} (other than the duties mentioned in subsection (2A) above)] to become, to such extent as may be provided by the regulations, liabilities and duties of the transferee; and
 - (b) for any right of either of them to repayment or credit in respect of VAT to be satisfied by making a repayment or allowing a credit to the other;

Changes to legislation: There are currently no known outstanding effects for the Value Added Tax Act 1994, Section 49. (See end of Document for details)

but no such provision as is mentioned in paragraph (a) or (b) of this subsection shall have effect in relation to any transferor and transferee unless an application in that behalf has been made by them under the regulations.

[^{F7}(4) Subsection (5) below applies where—

- (a) a business, or part of a business, carried on by a taxable person is transferred to another person as a going concern, and
- (b) the transferor continues to be required under this Act to preserve for any period after the transfer any records relating to the business or part of the business.

(5) So far as is necessary for the purpose of complying with the transferee's duties under this Act, the transferee (“E”) may require the transferor—

- (a) to give to E, within such time and in such form as E may reasonably require, such information contained in the records as E may reasonably specify,
- (b) to give to E, within such time and in such form as E may reasonably require, such copies of documents forming part of the records as E may reasonably specify, and
- (c) to make the records available for E's inspection at such time and place as E may reasonably require (and permit E to take copies of, or make extracts from, them).

(6) Where a business, or part of a business, carried on by a taxable person is transferred to another person as a going concern, the Commissioners may disclose to the transferee any information relating to the business when it was carried on by the transferor for the purpose of enabling the transferee to comply with the transferee's duties under this Act.]

Textual Amendments

- F1** Words in s. 49(1) inserted (with effect in accordance with s. 100(10) of the amending Act) by [Finance Act 2007 \(c. 11\), s. 100\(2\)\(a\)](#)
- F2** Words in s. 49(1)(a) inserted (with effect in accordance with s. 100(10) of the amending Act) by [Finance Act 2007 \(c. 11\), s. 100\(2\)\(b\)](#)
- F3** S. 49(1)(b) and word omitted (with effect in accordance with s. 100(10) of the amending Act) by [Finance Act 2007 \(c. 11\), s. 100\(2\)\(c\), Sch. 27 Pt. 6\(2\)](#)
- F4** Words in s. 49(2) inserted (with effect in accordance with s. 100(10) of the amending Act) by [Finance Act 2007 \(c. 11\), s. 100\(3\)](#)
- F5** S. 49(2A) inserted (with effect in accordance with s. 100(10) of the amending Act) by [Finance Act 2007 \(c. 11\), s. 100\(4\)](#)
- F6** Words in s. 49(3)(a) inserted (with effect in accordance with s. 100(10) of the amending Act) by [Finance Act 2007 \(c. 11\), s. 100\(5\)](#)
- F7** S. 49(4)-(6) inserted (with effect in accordance with s. 100(10) of the amending Act) by [Finance Act 2007 \(c. 11\), s. 100\(6\)](#)

Changes to legislation:

There are currently no known outstanding effects for the Value Added Tax Act 1994, Section 49.