SCHEDULES

SCHEDULE 2

VAT: GROUPS OF COMPANIES

Transitional provisions

6 (1) In this paragraph—

"the old law" means sections 43, 83 and 84 of, and Schedule 9A to, the Value Added Tax Act 1994 as they have effect without the amendments in paragraphs 1 to 5 of this Schedule, and

"the new law" means sections 43 to 43C, 83 and 84 of, and Schedule 9A to, that Act as they have effect by virtue of paragraphs 1 to 5 of this Schedule.

(2) Where, immediately before this Schedule comes into force, two or more bodies corporate are treated as members of a group by virtue of the old law—

(a) they shall continue to be treated as members of a group, and

(b) in their treatment as members of a group after this Schedule comes into force, they shall be treated as if any application under the old law by virtue of which they are treated as members of a group had been an equivalent application under the new law.

(3) Where an application under section 43 of the Value Added Tax Act 1994 is received by the Commissioners, and has neither taken effect nor been refused before the day on which this Act is passed, the old law shall apply to determine whether the application is to take effect; but where it is determined under this sub-paragraph that an application is to take effect—

(a) it shall be treated as if it were an equivalent application under the new law, and

(b) it shall be taken to have been granted under the new law at the time when it would have taken effect in accordance with the old law.

(4) In a case to which sub-paragraph (2) or (3) above applies, the power under section 43C(3) shall not be used to terminate the treatment of a body corporate as a member of a group—

(a) on the ground that the body corporate is not established, and does not have a fixed establishment, in the United Kingdom, and

(b) from a date before 1st January 2000.

(5) Where an application which purports to be an application under the old law is received by the Commissioners after the day on which this Act is passed—

(a) it shall be treated as if it were an application under the new law, and

(b) section 43B of the new law shall apply notwithstanding any provision in the application for a date from which it is to take effect.