Taxation (Cross-border Trade) Act 2018

2018 CHAPTER 22

PART 3

VALUE ADDED TAX

41 Abolition of acquisition VAT and extension of import VAT

(1) The Value Added Tax Act 1994 is amended as follows.

(2) In section 1 (imposition of charge to value added tax), in subsection (1)—

(a) omit paragraph (b) (which charges VAT on the acquisition in the United Kingdom of goods from other member States), and

(b) for paragraph (c) substitute—

"(c) on the importation of goods into the United Kingdom,".

(3) For section 15 substitute—

"**15 Meaning of "importation of goods" into the United Kingdom**

(1) This section determines for the purposes of this Act when, and by whom, goods are imported into the United Kingdom.

(2) Goods are imported when they are declared for a Customs procedure under Part 1 of TCTA 2018.

(3) But—

(a) in the case of goods declared under TCTA 2018 for a storage procedure, a transit procedure or an inward processing procedure, the goods are imported when a liability to import duty is, or on the relevant assumptions would be, incurred in respect of them under section 4 of that Act, and

(b) in the case of goods which are liable to forfeiture as a result of section 5(1) of, or paragraph 1(5) or 3(4) of Schedule 1 to, that Act (goods not presented to Customs or Customs declaration not made),

the goods are imported when they become liable to forfeiture as a result of those provisions.

(4) Each person who is, or on the relevant assumptions would be, liable to import duty in respect of goods imported into the United Kingdom is a person who has imported the goods.

(5) For the purposes of this section "the relevant assumptions" are—

(a) an assumption that a liability to import duty at a nil rate is replaced by a liability to import duty at a higher rate, and

(b) an assumption that no relief from import duty is available.

(6) If two or more persons are regarded as importing goods, those persons are jointly and severally liable to any VAT that is payable on the importation.

(7) The preceding provisions of this section are to be ignored in reading any reference to importation or to an importer in anything applied for the purposes of this Act by section 16(1) or (2).

(8) But subsection (7) does not apply so far as the context otherwise requires or provision to the contrary is contained in regulations under section 16(3)."

Commencement Information

I1 S. 41 in force at 31.12.2020 in so far as not already in force by S.I. 2020/1642, **reg. 4(b)** (with reg. 7)

I2 S. 41(2)(b) in force at 28.1.2019 for specified purposes by S.I. 2019/104, **reg. 2**

Changes to legislation:
There are currently no known outstanding effects for the Taxation (Cross-border Trade) Act 2018, Section 41.