



Finance Act 2018

2018 CHAPTER 3

PART 2

INDIRECT TAXES

Value added tax

38 Online marketplaces

- (1) VATA 1994 is amended as follows.
- (2) In section 69(1) (breaches of regulatory provisions) after paragraph (g) insert “or—
 - (h) section 77E (display of VAT registration numbers on online marketplaces).”.
- (3) Before section 77B insert—

“Online marketplaces”.

- (4) In section 77B (joint and several liability: operators of online marketplaces)—
 - (a) in the heading for “operators of online marketplaces” substitute “sellers identified as non-compliant by the Commissioners”;
 - (b) in subsection (1) omit “who is not UK-established”;
 - (c) omit subsection (10);
 - (d) in subsection (12) omit “, and “UK-established””.
- (5) After section 77B insert—

“77BA Joint and several liability: non-UK sellers in breach of Schedule 1A registration requirement

- (1) This section applies where—

Status: This is the original version (as it was originally enacted).

- (a) a person (“P”) who makes taxable supplies of goods through an online marketplace is in breach of a Schedule 1A registration requirement, and
 - (b) the operator of the online marketplace knows, or should know, that P is in breach of a Schedule 1A registration requirement.
- (2) If the operator of the online marketplace does not secure the result in subsection (3), subsection (4) applies.
- (3) The result referred to in subsection (2) is that P does not offer goods for sale through the online marketplace in any period between—
 - (a) the end of the period of 60 days beginning with the day on which the operator first knew, or should have known, that P was in breach of a Schedule 1A registration requirement, and
 - (b) P ceasing to be in breach of a Schedule 1A registration requirement.
- (4) The operator is jointly and severally liable to the Commissioners for the amount of VAT payable by P in respect of all taxable supplies of goods made by P through the online marketplace in the relevant period.
- (5) The relevant period is the period—
 - (a) beginning with the day on which the operator first knew, or should have known, that P was in breach of a Schedule 1A registration requirement, and
 - (b) ending with P ceasing to be in breach of a Schedule 1A registration requirement.
- (6) But if the operator has been given a notice under section 77B in respect of P, the relevant period does not include—
 - (a) any period for which the operator is jointly and severally liable for the amount mentioned in subsection (4) by virtue of section 77B, or
 - (b) if the operator secures the result mentioned in section 77B(3), the period beginning with the day on which the operator is given the notice and ending with the day on which the operator secures that result.
- (7) P is in breach of a Schedule 1A registration requirement if P is liable to be registered under Schedule 1A to this Act, but is not so registered.
- (8) In this section “online marketplace” and “operator”, in relation to an online marketplace, have the same meaning as in section 77B.”
- (6) In section 77C (assessments)—
 - (a) in the heading after “section 77B” insert “or 77BA”;
 - (b) in subsection (1) after “section 77B” insert “or 77BA”;
 - (c) for subsection (9) substitute—
 - “(9) In this section “online marketplace” and “operator”, in relation to an online marketplace, have the same meaning as in section 77B.”
- (7) In section 77D (interest)—
 - (a) in the heading after “section 77B” insert “or 77BA”;
 - (b) for subsection (8) substitute—

“(8) In this section “online marketplace” and “operator”, in relation to an online marketplace, have the same meaning as in section 77B.”

(8) After section 77D insert—

“77E Display of VAT registration numbers

- (1) This section applies where a person (“P”) offers, or proposes to offer, goods for sale through an online marketplace.
- (2) The operator of the online marketplace must take reasonable steps to check that—
 - (a) any number provided to the operator (by P or another person) as P’s VAT registration number is valid, and
 - (b) any number displayed on the online marketplace as P’s VAT registration number (under subsection (3) or otherwise) is valid.
- (3) If a number is provided to the operator (by P or another person) as P’s VAT registration number and the number is valid, the operator must secure that it is displayed on the online marketplace as P’s VAT registration number no later than the time mentioned in subsection (4).
- (4) The time is—
 - (a) the end of the period of 10 days beginning with the day on which the operator is provided with the number, or
 - (b) if the number is provided before P offers goods for sale through the online marketplace, the later of—
 - (i) the end of the period in paragraph (a), and
 - (ii) the end of the day on which P first offers goods for sale through the online marketplace.
- (5) If the operator becomes aware that a number displayed on the online marketplace as P’s VAT registration number (under subsection (3) or otherwise) is not valid, the operator must secure that it is removed from the online marketplace before the end of the relevant period.
- (6) The relevant period is the period of 10 days beginning with the day on which the operator first became aware that the number was not valid.
- (7) A number is provided or displayed as P’s VAT registration number only if it is provided or displayed in connection with P offering, or proposing to offer, goods for sale through the online marketplace.
- (8) A number provided or displayed as P’s VAT registration number is valid only if—
 - (a) P is registered under this Act, and
 - (b) the number is P’s VAT registration number.
- (9) In this section—

“online marketplace” and “operator”, in relation to an online marketplace, have the same meaning as in section 77B;

“VAT registration number” means the number allocated by the Commissioners to a person registered under this Act.”