

1985 No. 693

VALUE ADDED TAX

**The Value Added Tax (General) (Amendment) (No. 2)
Regulations 1985**

Made - - - - - 2nd May 1985

*Laid before the House
of Commons* - - 9th May 1985

Coming into Operation 1st June 1985

The Commissioners of Customs and Excise, in exercise of the powers conferred on them by section 19(2) and (3) of the Value Added Tax Act 1983^(a) and of all other powers enabling them in that behalf, hereby make the following Regulations:

1. These Regulations may be cited as the Value Added Tax (General)(Amendment) (No. 2) Regulations 1985 and shall come into operation on 1st June 1985.

2. The Value Added Tax (General) Regulations 1980^(b) shall be amended in accordance with the following provisions of these Regulations.

3. After regulation 38 there shall be added the following regulation—

“38A.— (1) Subject to the provisions of this regulation and to such conditions as the Commissioners may impose, tax chargeable on the importation of goods which are for subsequent re-exportation shall not be payable if the Commissioners are satisfied that—

- (a) the goods are imported solely for the purpose of repair, renovation, modification or treatment;
- (b) the ownership in the goods is not transferred to a person in the United Kingdom at importation; and
- (c) the goods are to be re-exported.

(2) Upon re-exportation the goods are identifiable as the imported goods.

(3) The ownership in the goods is not transferred to a person in the United Kingdom during such time as they remain within the United Kingdom.

^(a) 1983 c.55.

^(b) S.I. 1980/1536; relevant amending instrument is S.I. 1984/155.

(4) The goods are re-exported within 6 months of the date of importation or within such longer period as the Commissioners may allow.”.

4. Regulation 41 shall be deleted and there shall be substituted the following—

“41.— (1) Subject to the provisions of this regulation and to such conditions as the Commissioners may impose, tax chargeable on the importation of goods which have been temporarily exported and are re-imported after having undergone repair, process or adaptation abroad, or after having been made up or reworked abroad, shall be payable as if such treatment or process had been carried out in the United Kingdom, if the Commissioners are satisfied that—

- (a) at the time of exportation the goods were intended to be reimported after completion of the treatment or process abroad; and
- (b) the ownership in the goods was not transferred to a person outside the United Kingdom at exportation or during the time they were abroad.

(2) Paragraph (1) of this regulation shall have no application to goods to which subsection (1) of section 12 of the Value Added Tax Act 1983 would apply if the treatment or process abroad were undergone in the United Kingdom and tax was chargeable on their supply.

(3) For the purpose of this regulation the reference to section 12 of the said Act shall be read as a reference to that section as it applies having regard to the provisions of any Treasury Order which may be made under subsection (4) of the said section.”.

5. In regulation 49 for the words “12 months”, in the first place where they occur, there shall be substituted the words “6 months”.

6. In regulation 50 for the words “12 months” there shall be substituted the words “6 months”.

P. Jefferson Smith,
Commissioner of
Customs and Excise

2nd May 1985.
King's Beam House,
Mark Lane,
London EC3R 7HE.

EXPLANATORY NOTE

(This Note is not part of the Regulations.)

These Regulations, which come into operation on 1st June 1985, amend various provisions of the Value Added Tax (General) Regulations 1980.

Regulation 3 inserts a new regulation 38A to provide relief from the tax chargeable on importation of goods temporarily imported solely for repair, renovation, modification or treatment.

Regulation 4 amends regulation 41 to make the tax chargeable on importation of goods reimported after processing abroad payable on the same basis as if the process had been carried out in the United Kingdom.

Regulations 5 and 6 amend regulations 49 and 50 respectively to reduce from 12 months to 6 months the period a person acquiring without payment of tax a new motor vehicle for export must intend to remain outside the United Kingdom.

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