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STATUTORY INSTRUMENTS

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**2021 No. 715**

**The Value Added Tax (Amendment)  
(EU Exit) Regulations 2021**

**Amendment of the Value Added Tax Regulations 1995**

47. After regulation 133H insert—

**“Supplies of goods subject to excise duty to persons who are not taxable in a member state**

**133I.** Where the Commissioners are satisfied that—

- (a) a supply by a taxable person of goods subject to excise duty involves their removal from Northern Ireland to a member State,
- (b) that supply is other than to a person taxable in a member State and the place of supply is not, by virtue of paragraph 29(2) of Schedule 9ZB to the Act, treated as outside the United Kingdom,
- (c) the goods have been removed to a member State in accordance with the provisions of the Excise Goods (Holding, Movement and Duty Point) Regulations 2010(1), and
- (d) the goods are not goods in relation to whose supply the taxable person has opted, pursuant to section 50A of the Act, for VAT to be charged by reference to the profit margin on the supply,

the supply, subject to such conditions as the Commissioners may impose, shall be zero rated.

**Scope of territories**

**133J.**—(1) For the purposes of the Act, the following territories shall be treated as excluded from the territory of the European Union—

- (a) Andorra;
- (b) San Marino;
- (c) the Aland Islands.

(2) For the purposes of the Act, the following territories shall be treated as excluded from the territory of the member States and the territory of the European Union—

- (a) the Canary Islands (Kingdom of Spain);
- (b) Guadeloupe, French Guiana, Martinique, Mayotte, Réunion and Saint-Martin (French Republic);
- (c) Mount Athos (Hellenic Republic).

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(1) S.I. 2010/593, amended by S.I. 2011/2225, 2012/2786, 2013/3210, 2015/368, 2019/13, 2019/474, 2019/975, 2019/1216, 2019/1510 and 2020/1559.

(3) For the purposes of the Act, the Principality of Monaco (French Republic) shall be treated as included in the territory of the member States and the territory of the European Union.

### **Entry and exit formalities and use of the internal Community transit procedure in Northern Ireland**

**133K.**—(1) Where goods enter Northern Ireland from the territories specified in regulation 133J(1) or (2) (territories treated as excluded from the territory of the European Union or member States), the formalities relating to the entry of goods into the customs territory of the European Union contained in the Union Customs Code and the Commission Implementing Regulation shall be completed.

(2) Where goods are exported from Northern Ireland to the territories specified in regulation 133J(1) or (2) (territories treated as excluded from the territory of the European Union and member States), the formalities relating to the export of goods to a place outside the customs territory of the European Union contained in Union Customs Code and the Commission Implementing Regulation shall be completed.

(3) Where goods enter the United Kingdom by reason of their entry into Northern Ireland from the territories specified in regulation 133J(1) or (2) and the goods are intended for a member State, transport of the goods to which destination involves their passage through a member State, the internal Community transit procedure described in the Union Customs Code and Article 227 of the Commission Implementing Regulation shall apply.

### **Customs and excise legislation to be applied in Northern Ireland**

**133L.** Subject to regulation 133N, where goods are imported into the United Kingdom by reason of their entry into Northern Ireland from the territories specified in regulation 133J(1) and (2), the customs and excise legislation referred to in regulations 133AB, 133AC, 133AD and 133AE shall apply (so far as relevant) in relation to any VAT chargeable upon such importation with the same exceptions and adaptations as are specified in those regulations in relation to the application of section 16(1) of the Act.

**133M.**—(1) Where goods are imported into the United Kingdom by reason of their entry into Northern Ireland from the territories specified in regulation 133J(2), section 4 of the Finance (No. 2) Act 1992 (enforcement powers)(2) shall apply in relation to any VAT chargeable upon such importation as if references in that section to “member States” excluded the territories specified in regulation 133J(2).

(2) Where goods are exported from Northern Ireland to the territories specified in regulation 133J(1) and (2), the provisions relating to the export of goods to a place outside the customs territory of the European Union contained in the Union Customs Code and the Commission Implementing Regulation shall apply for the purpose of ensuring the correct application of the zero rate of VAT to such goods.

**133N.**—(1) Subject to paragraph (2), where goods are exported from Northern Ireland to the territories specified in regulation 133J(1) and (2), the provisions made by or under the Customs and Excise Management Act 1979 in relation to the exportation of goods to places outside the member States shall apply (so far as relevant) for the purpose of ensuring the correct application of the zero rate of VAT to such goods.

(2) Where goods are being exported from Northern Ireland to the territories specified in regulation 133J(2), section 4 of the Finance (No. 2) Act 1992 (enforcement powers)

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(2) 1992 c. 48, relevantly amended by paragraph 13 of Schedule 1 to the Taxation (Post-transition Period) Act 2020.

shall apply to such goods as if references in that section to “member States” excluded the territories specified in regulation 133J(2).”.