

## SCHEDULES

### SCHEDULE 3

#### VALUE ADDED TAX: ABOLITION OF FISCAL FRONTIERS ETC.

#### PART II

#### AMENDMENTS OF THE FINANCE ACT 1985 (C. 54)

##### *Civil penalties*

- 80 (1) In subsection (1) of section 15 (penalties for breach of regulatory provisions)—
- (a) in paragraph (a), after “principal Act” there shall be inserted “with paragraph 3 of Schedule 1A to that Act or with paragraph 3 or 8(2) of Schedule 1B to that Act”;
  - (b) after paragraph (a) there shall be inserted the following paragraph—
    - “(aa) a person fails to comply with a requirement of regulations under paragraph 2(2B) of Schedule 7 to the principal Act (notification of acquisition of excise duty goods or new means of transport), or”.
- (2) In subsection (3) of that section (meaning of “relevant tax”)—
- (a) after “means” there shall be inserted “(subject to subsections (3B) and (3C) below)”;
  - (b) in paragraph (a), after “principal Act” there shall be inserted “with paragraph 3 of Schedule 1A to that Act or with paragraph 3 of Schedule 1B to that Act”;
  - (c) in paragraph (b), after “principal Act” there shall be inserted “or with subparagraph (2) of paragraph 8 of Schedule 1B to that Act”;
  - (d) after paragraph (b) there shall be inserted the following paragraph—
    - “(ba) in relation to a person’s failure to comply with a requirement of regulations under paragraph 2(2B) of Schedule 7 to the principal Act, the tax on the acquisition to which the failure relates; and”.
- (3) In subsection (3A) of that section (the specified percentage)—
- (a) in paragraph (a), after “nine months” there shall be inserted “or where the relevant tax is given by paragraph (ba) of that subsection and the failure in question did not continue for more than three months”; and
  - (b) in paragraph (b), for “so given” there shall be substituted “given by paragraph (a) or (b) of subsection (3) above” and after “eighteen months” there shall be inserted “or where that tax is given by paragraph (ba) of that subsection and the failure in question continued for more than three months but did not continue for more than six months”.

---

*Status: This is the original version (as it was originally enacted).*

---

(4) After subsection (3A) of that section there shall be inserted the following subsections—

“(3B) Where—

- (a) the amount of tax which (apart from this subsection) would be treated for the purposes of subsection (1) above as the relevant tax in relation to a failure mentioned in subsection (3)(a) above includes tax on an acquisition of goods from another member State; and
- (b) the Commissioners are satisfied that value added tax has been paid under the law of another member State on the supply in pursuance of which those goods were acquired,

then, in the determination of the amount of the relevant tax in relation to that failure, an allowance shall be made for the value added tax paid under the law of that member State; and the amount of the allowance shall not exceed the amount of tax due on the acquisition but shall otherwise be equal to the amount of value added tax which the Commissioners are satisfied has been paid on that supply under the law of that member State.

(3C) Where—

- (a) the amount of tax which (apart from this subsection) would be treated for the purposes of subsection (1) above as the relevant tax in relation to a failure mentioned in subsection (3)(a) above includes tax chargeable by virtue of section 6(2B) of the principal Act on any supply; and
- (b) the Commissioners are satisfied that value added tax has been paid under the law of another member State on that supply,

then, in the determination of the amount of the relevant tax in relation to that failure, an allowance shall be made for the tax paid under the law of the other member State; and the amount of the allowance shall not exceed the amount of tax chargeable by virtue of section 6(2B) on that supply but shall otherwise be equal to the amount of tax which the Commissioners are satisfied has been paid on that supply under the law of that other member State.”