



Value Added Tax Act 1994

1994 CHAPTER 23

PART II

RELIEFS, EXEMPTIONS AND REPAYMENTS

Imports, overseas businesses etc

37 [F¹VAT on importation of goods: reliefs etc]

[F²(A1) No VAT is chargeable on the importation of goods to which section 7(5B) applies.]

(1) The Treasury may by order make provision for giving relief from the whole or part of the VAT chargeable on the importation of goods ^{F3}..., subject to such conditions (including conditions prohibiting or restricting the disposal of or dealing with the goods) as may be imposed by or under the order ^{F4}....

(2) In any case where—

- (a) it is proposed that goods which have been imported ^{F5}... by any person (“the original importer”) with the benefit of relief under subsection (1) above shall be transferred to another person (“the transferee”), and
- (b) on an application made by the transferee, the Commissioners direct that this subsection shall apply,

this Act shall have effect as if, on the date of the transfer of the goods (and in place of the transfer), the goods were exported by the original importer and imported by the transferee and, accordingly, where appropriate, provision made under subsection (1) above shall have effect in relation to the VAT chargeable on the importation of the goods by the transferee.

(3) The Commissioners may by regulations make provision for remitting or repaying, if they think fit, the whole or part of the VAT chargeable on the importation of any goods ^{F6}... which are shown to their satisfaction to have been previously exported ^{F7}....

(4) The Commissioners may by regulations make provision for remitting or repaying the whole or part of the VAT chargeable on the importation of any goods ^{F8}... if they are

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satisfied that the goods have been or are to be re-exported ^{F9}... and they think fit to do so in all the circumstances and having regard—

- (a) to the VAT chargeable on the supply of like goods in the United Kingdom;
^{F10}(b)

Textual Amendments

- F1** S. 37 heading substituted (17.12.2020 for specified purposes, 31.12.2020 in so far as not already in force) by [Taxation \(Post-transition Period\) Act 2020 \(c. 26\)](#), s. 11(1)(e), [Sch. 3 para. 7\(2\)](#) (with [Sch. 2 para. 7\(7\)–\(9\)](#)); S.I. 2020/1642, [reg. 9](#)
- F2** S. 37(A1) inserted (17.12.2020 for specified purposes, 31.12.2020 in so far as not already in force) by [Taxation \(Post-transition Period\) Act 2020 \(c. 26\)](#), s. 11(1)(e), [Sch. 3 para. 7\(3\)](#) (with [Sch. 2 para. 7\(7\)–\(9\)](#)); S.I. 2020/1642, [reg. 9](#)
- F3** Words in s. 37(1) omitted (31.12.2020) by virtue of [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), s. 57(3), [Sch. 8 para. 39\(2\)\(a\)](#) (with [Sch. 8 para. 99](#)) (with savings and transitional provisions in S.I. 2019/105 (as amended by S.I. 2020/1495, regs. 1(2), [21](#)), S.I. 2020/1545, [Pt. 4](#) and 2020 c. 26, [Sch. 2 para. 7\(7\)–\(9\)](#)); S.I. 2020/1642, [reg. 4\(b\)](#) (with [reg. 7](#))
- F4** Words in s. 37(1) omitted (31.12.2020) by virtue of [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), s. 57(3), [Sch. 8 para. 39\(2\)\(b\)](#) (with [Sch. 8 para. 99](#)) (with savings and transitional provisions in S.I. 2019/105 (as amended by S.I. 2020/1495, regs. 1(2), [21](#)), S.I. 2020/1545, [Pt. 4](#) and 2020 c. 26, [Sch. 2 para. 7\(7\)–\(9\)](#)); S.I. 2020/1642, [reg. 4\(b\)](#) (with [reg. 7](#))
- F5** Words in s. 37(2)(a) omitted (31.12.2020) by virtue of [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), s. 57(3), [Sch. 8 para. 39\(3\)](#) (with [Sch. 8 para. 99](#)) (with savings and transitional provisions in S.I. 2019/105 (as amended by S.I. 2020/1495, regs. 1(2), [21](#)), S.I. 2020/1545, [Pt. 4](#) and 2020 c. 26, [Sch. 2 para. 7\(7\)–\(9\)](#)); S.I. 2020/1642, [reg. 4\(b\)](#) (with [reg. 7](#))
- F6** Words in s. 37(3) omitted (31.12.2020) by virtue of [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), s. 57(3), [Sch. 8 para. 39\(4\)\(a\)](#) (with [Sch. 8 para. 99](#)) (with savings and transitional provisions in S.I. 2019/105 (as amended by S.I. 2020/1495, regs. 1(2), [21](#)), S.I. 2020/1545, [Pt. 4](#) and 2020 c. 26, [Sch. 2 para. 7\(7\)–\(9\)](#)); S.I. 2020/1642, [reg. 4\(b\)](#) (with [reg. 7](#))
- F7** Words in s. 37(3) omitted (31.12.2020) by virtue of [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), s. 57(3), [Sch. 8 para. 39\(4\)\(b\)](#) (with [Sch. 8 para. 99](#)) (with savings and transitional provisions in S.I. 2019/105 (as amended by S.I. 2020/1495, regs. 1(2), [21](#)), S.I. 2020/1545, [Pt. 4](#) and 2020 c. 26, [Sch. 2 para. 7\(7\)–\(9\)](#)); S.I. 2020/1642, [reg. 4\(b\)](#) (with [reg. 7](#))
- F8** Words in s. 37(4) omitted (31.12.2020) by virtue of [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), s. 57(3), [Sch. 8 para. 39\(5\)\(a\)\(i\)](#) (with [Sch. 8 para. 99](#)) (with savings and transitional provisions in S.I. 2019/105 (as amended by S.I. 2020/1495, regs. 1(2), [21](#)), S.I. 2020/1545, [Pt. 4](#) and 2020 c. 26, [Sch. 2 para. 7\(7\)–\(9\)](#)); S.I. 2020/1642, [reg. 4\(b\)](#) (with [reg. 7](#))
- F9** Words in s. 37(4) omitted (31.12.2020) by virtue of [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), s. 57(3), [Sch. 8 para. 39\(5\)\(a\)\(ii\)](#) (with [Sch. 8 para. 99](#)) (with savings and transitional provisions in S.I. 2019/105 (as amended by S.I. 2020/1495, regs. 1(2), [21](#)), S.I. 2020/1545, [Pt. 4](#) and 2020 c. 26, [Sch. 2 para. 7\(7\)–\(9\)](#)); S.I. 2020/1642, [reg. 4\(b\)](#) (with [reg. 7](#))
- F10** S. 37(4)(b) omitted (31.12.2020) by virtue of [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), s. 57(3), [Sch. 8 para. 39\(5\)\(b\)](#) (with [Sch. 8 para. 99](#)) (with savings and transitional provisions in S.I. 2019/105 (as amended by S.I. 2020/1495, regs. 1(2), [21](#)), S.I. 2020/1545, [Pt. 4](#) and 2020 c. 26, [Sch. 2 para. 7\(7\)–\(9\)](#)); S.I. 2020/1642, [reg. 4\(b\)](#) (with [reg. 7](#))

Modifications etc. (not altering text)

- C1** S. 37(1) extended (27.7.1999) by [1999 c. 16](#), [s. 13\(3\)](#)

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38 Importation of goods by taxable persons.

The Commissioners may by regulations make provision for enabling goods imported^{F11} ... by a taxable person in the course or furtherance of any business carried on by him to be delivered or removed, subject to such conditions or restrictions as the Commissioners may impose for the protection of the revenue, without payment of the VAT chargeable on the importation, and for that VAT to be accounted for together with the VAT chargeable on the supply of goods or services by him^{F12}

Textual Amendments

- F11** Words in s. 38 omitted (31.12.2020) by virtue of [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), s. 57(3), [Sch. 8 para. 40\(a\)](#) (with [Sch. 8 para. 99](#)) (with savings and transitional provisions in [S.I. 2019/105](#) (as amended by [S.I. 2020/1495](#), regs. 1(2), 21), [S.I. 2020/1545](#), Pt. 4 and 2020 c. 26, Sch. 2 para. 7(7)-(9)); [S.I. 2020/1642](#), reg. 4(b) (with reg. 7)
- F12** Words in s. 38 omitted (31.12.2020) by virtue of [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), s. 57(3), [Sch. 8 para. 40\(b\)](#) (with [Sch. 8 para. 99](#)) (with savings and transitional provisions in [S.I. 2019/105](#) (as amended by [S.I. 2020/1495](#), regs. 1(2), 21), [S.I. 2020/1545](#), Pt. 4 and 2020 c. 26, Sch. 2 para. 7(7)-(9)); [S.I. 2020/1642](#), reg. 4(b) (with reg. 7)

[^{F13}39 Repayment of VAT to those in business overseas.

- [^{F13}(1) The Commissioners may, by means of a scheme embodied in regulations, provide for the repayment, to persons carrying on business wholly outside the United Kingdom, of VAT which would be input tax of theirs if they were taxable persons in the United Kingdom.
- (2) The scheme may make different provision in relation to persons carrying on business in different places.]
- (3) Repayment shall be made in such cases [^{F14}and to such extent] only, and subject to such conditions, as the scheme may prescribe (being conditions specified in the regulations or imposed by the Commissioners either generally or in particular cases); and the scheme may provide—
- [^{F15}(za) for claims to be made in such form and manner as may be specified in the scheme or by the Commissioners in accordance with the scheme;]
- (a) for claims and repayments to be made only through agents in the United Kingdom;
- (b) either generally or for specified purposes—
- (i) for the agents to be treated under this Act as if they were taxable persons; and
- (ii) for treating claims as if they were returns under this Act [^{F16}in respect of such period as may be prescribed] and repayments as if they were repayments of input tax;^{F17}...
- [^{F18}(ba) for and in connection with the payment of interest to or by the Commissioners (including in relation to the repayment of interest wrongly paid), and]
- [^{F19}(c) for generally regulating—
- (i) the time by which claims must be made, and
- (ii) the methods by which the amount of any repayment is to be determined and the repayment is to be made.]]

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Textual Amendments

- F13** S. 39(1)(2) substituted (31.12.2020) by [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\), s. 57\(3\), Sch. 8 para. 41](#) (with [Sch. 8 para. 99](#)) (with savings and transitional provisions in [S.I. 2019/105](#) (as amended by [S.I. 2020/1495](#), regs. 1(2), 21), [S.I. 2020/1545](#), Pt. 4 and 2020 c. 26, Sch. 2 para. 7(7)-(9)); [S.I. 2020/1642](#), reg. 4(b) (with reg. 7)
- F14** Words in s. 39(3) inserted (21.7.2009) by [Finance Act 2009 \(c. 10\), s. 77\(2\)\(a\)](#)
- F15** S. 39(3)(za) inserted (17.7.2012) by [Finance Act 2012 \(c. 14\), Sch. 29 para. 5\(2\)](#)
- F16** Words in s. 39(3)(b)(ii) inserted (21.7.2009) by [Finance Act 2009 \(c. 10\), s. 77\(2\)\(b\)](#)
- F17** Word in s. 39(3)(b)(ii) omitted (21.7.2009) by virtue of [Finance Act 2009 \(c. 10\), s. 77\(2\)\(b\)](#)
- F18** S. 39(3)(ba) inserted (21.7.2009) by [Finance Act 2009 \(c. 10\), s. 77\(2\)\(c\)](#)
- F19** S. 39(3)(c) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\), Sch. 29 para. 5\(3\)](#)

39A Applications for forwarding of VAT repayment claims to other member States

[^{F20}The Commissioners must make arrangements for dealing with applications made to the Commissioners by taxable persons, in accordance with Council Directive 2008/9/EC, for the forwarding to the tax authorities of another member State of claims for refunds of VAT on—

- (a) supplies to them in that member State, or
- (b) the importation of goods by them into that member State from places outside the member States.]

Textual Amendments

- F20** [S. 39A](#) omitted (31.12.2020) by virtue of [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\), s. 57\(3\), Sch. 8 para. 42](#) (with [Sch. 8 para. 99](#)) (with savings and transitional provisions in [S.I. 2019/105](#) (as amended by [S.I. 2020/1495](#), regs. 1(2), 21), [S.I. 2020/1545](#), Pt. 4 and 2020 c. 26, Sch. 2 para. 7(7)-(9)); [S.I. 2020/1642](#), reg. 4(b) (with reg. 7)

Modifications etc. (not altering text)

- C2** [S. 39A](#) savings and transitional provisions for effects of 2018 c. 22, Sch. 8 para. 42 (31.12.2020) by [The Value Added Tax \(Miscellaneous and Transitional Provisions, Amendment and Revocation\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1495\)](#), regs. 1(2), [11\(5\)](#); [S.I. 2020/1641](#), reg. 2, Sch.

^{F21}40 Refunds in relation to new means of transport supplied to other member States.

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Textual Amendments

- F21** [S. 40](#) omitted (31.12.2020) by virtue of [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\), s. 57\(3\), Sch. 8 para. 43](#) (with [Sch. 8 para. 99](#)) (with savings and transitional provisions in [S.I. 2019/105](#) (as amended by [S.I. 2020/1495](#), regs. 1(2), 21), [S.I. 2020/1545](#), Pt. 4 and 2020 c. 26, Sch. 2 para. 7(7)-(9)); [S.I. 2020/1642](#), reg. 4(b) (with reg. 7)

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