

SCHEDULES

[^{F1}SCHEDULE 9ZC

Section 40A(3)

ONLINE SALES BY OVERSEAS PERSONS AND LOW VALUE IMPORTATIONS: MODIFICATIONS RELATING TO THE NORTHERN IRELAND PROTOCOL

Textual Amendments

- F1** Sch. 9ZC 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. 28](#) (with [Sch. 2 para. 7\(7\)-\(9\)](#)); [S.I. 2020/1642, reg. 9](#)

^{F1}PART 1

MODIFICATION OF THIS ACT

- 1 [^{F2}Except in relation to a removal to which paragraph 6(3A) of Schedule 9ZB (certain supplies from a member State to Great Britain via Northern Ireland) applies,] references in the following provisions of this Act to goods being imported do not include goods imported into the United Kingdom as a result of their entry into Northern Ireland or goods treated as having been imported into the United Kingdom as a result of their being removed from Northern Ireland to Great Britain—
- (a) section 5A(3) (the imported consignment condition);
 - (b) section 7(5B)(b) (place of supply of goods);
 - (c) section 7AA(1)(c) (reverse charge on goods supplied from abroad).

Textual Amendments

- F2** Words in [Sch. 9ZC para. 1](#) inserted (1.8.2021) by [The Value Added Tax \(Miscellaneous Amendments and Repeals\) \(EU Exit\) Regulations 2021 \(S.I. 2021/714\), regs. 1, 6\(2\)](#) (as amended by [S.I. 2021/779, regs. 1, 2](#))

- [^{F3}1A Section 5A has effect as if in subsection (1)(c)(ii) after “outside the United Kingdom” there were inserted “ and prior to the supply the goods were located in Great Britain ”.]

Textual Amendments

- F3** Sch. 9ZC para. 1A 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. 29\(2\)](#) (with [Sch. 2 para. 7\(7\)-\(9\)](#)); [S.I. 2020/1642, reg. 9](#)

- [^{F4}1B This Act has effect as if after section 5A there were inserted—

Changes to legislation: There are currently no known outstanding effects for the Value Added Tax Act 1994, SCHEDULE 9ZC. (See end of Document for details)

“Supplies of goods in Northern Ireland facilitated by online marketplaces: deemed supply

- (1) This section applies where—
 - (a) a person (“P”) makes a taxable supply of goods in the course or furtherance of a business to another person (“R”),
 - (b) the supply is facilitated by an online marketplace, and
 - (c) either the [^{F5}special] scheme condition or the Union goods condition is met.
- (2) For the purposes of this Act—
 - (a) P is to be treated as having supplied the goods to the operator of the online marketplace, and
 - (b) the operator is to be treated as having supplied the goods to R in the course or furtherance of a business carried on by the operator.
- (3) The [^{F6}special] scheme condition is met where—
 - (a) R belongs in Northern Ireland and is not a taxable person,
 - (b) the supply is a qualifying supply of goods within the meaning of Schedule 9ZE, and
 - (c) the operator of the online marketplace is [^{F7}a participant in a special scheme within the meaning of] that Schedule.
- (4) But the [^{F8}special] scheme condition is not met where—
 - (a) P is established in the United Kingdom, and
 - (b) the supply involves the removal of goods from Great Britain [^{F9}or the Isle of Man] to Northern Ireland.
- (5) The Union goods condition is met where—
 - (a) P is not established in Northern Ireland or a member State,
 - (b) R either—
 - (i) belongs in Northern Ireland and is not a taxable person, or
 - (ii) belongs in a member State and is not liable or entitled to be registered for VAT in accordance with the law of that member State, and
 - (c) the supply is a supply of Union goods that are located in Northern Ireland at the time they are supplied.
- (6) But the Union goods condition is not met where—
 - (a) P is established in Great Britain [^{F10}or the Isle of Man], and
 - (b) R belongs in Northern Ireland.
- (7) In this section, “Union goods” has the same meaning as in Regulation (EU) 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code (see Article 5(23) of that Regulation).”]

Changes to legislation: There are currently no known outstanding effects for the Value Added Tax Act 1994, SCHEDULE 9ZC. (See end of Document for details)

Textual Amendments

- F4** Sch. 9ZC para. 1B inserted (10.6.2021 for specified purposes, 1.7.2021 in so far as not already in force) by Finance Act 2021 (c. 26), s. 95(6)(a), **Sch. 18 para. 8(2)**; S.I. 2021/770, reg. 3
- F5** Word in Sch. 9ZC para. 1B substituted (1.12.2021) by The Value Added Tax (Distance Selling and Miscellaneous Amendments No. 2) Regulations 2021 (S.I. 2021/1165), regs. 1, **7(2)**
- F6** Word in Sch. 9ZC para. 1B substituted (1.12.2021) by The Value Added Tax (Distance Selling and Miscellaneous Amendments No. 2) Regulations 2021 (S.I. 2021/1165), regs. 1, **7(3)(a)**
- F7** Words in Sch. 9ZC para. 1B substituted (1.12.2021) by The Value Added Tax (Distance Selling and Miscellaneous Amendments No. 2) Regulations 2021 (S.I. 2021/1165), regs. 1, **7(3)(b)**
- F8** Word in Sch. 9ZC para. 1B substituted (1.12.2021) by The Value Added Tax (Distance Selling and Miscellaneous Amendments No. 2) Regulations 2021 (S.I. 2021/1165), regs. 1, **7(4)(a)**
- F9** Words in Sch. 9ZC para. 1B inserted (1.12.2021) by The Value Added Tax (Distance Selling and Miscellaneous Amendments No. 2) Regulations 2021 (S.I. 2021/1165), regs. 1, **7(4)(b)**
- F10** Words in Sch. 9ZC para. 1B inserted (1.12.2021) by The Value Added Tax (Distance Selling and Miscellaneous Amendments No. 2) Regulations 2021 (S.I. 2021/1165), regs. 1, **7(5)**

- 2 Section 77F (exception from liability under section 5A) has effect as if—
- (a) in the heading, after “section 5A” there were inserted “or Part 1 of Schedule 9ZC”;
 - (b) in subsection (1), after “section 5A” there were inserted “or Part 1 of Schedule 9ZC”;
 - (c) in subsection (2), after “(as defined in section 5A” there were inserted “or Part 1 of Schedule 9ZC, as the case may be”.

[^{F11}2A In Part 2 of Schedule 8 (zero-rating: the groups), Group 21 (online marketplaces: deemed supply) has effect as if after Item 1 there were inserted—

“2 A supply by a person not established in Northern Ireland or a member State that is deemed to be a supply to an operator of an online marketplace by virtue of section 5B (as it has effect in accordance with paragraph 1B of this Schedule).”]

Textual Amendments

- F11** Sch. 9ZC para. 2A inserted (10.6.2021 for specified purposes, 1.7.2021 in so far as not already in force) by Finance Act 2021 (c. 26), s. 95(6)(a), **Sch. 18 para. 8(3)**; S.I. 2021/770, reg. 3

- 3 (1) In Schedule 11, paragraph 6 has effect subject to the following modifications.

[Sub-paragraph (1) has effect as if at the start there were inserted “Subject to paragraph ^{F12}(1A) 6ZA,

- (2) Sub-paragraph (4C) has effect as if—

- (a) the “or” at the end of paragraph (a) were omitted;
- (b) after paragraph (b) there were inserted
- (c) Part 1 of Schedule 9ZC makes provision about who is treated as having imported those goods.”

- (3) Sub-paragraph (4D) has effect as if—

- (a) the “or” at the end of paragraph (b) were omitted;
- (b) after paragraph (c) there were inserted

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 Value Added Tax Act 1994, SCHEDULE 9ZC. (See end of Document for details)*

- (d) is treated as having imported goods under Part 1 of Schedule 9ZC.”

Textual Amendments

F12 Sch. 9ZC para. 3(1A) inserted (10.6.2021 for specified purposes, 1.7.2021 in so far as not already in force) by Finance Act 2021 (c. 26), s. 95(6)(a), Sch. 18 para. 8(4); S.I. 2021/770, reg. 3

I Schedule 11 has effect as if after paragraph 6 there were inserted—

F13 3A “6ZA(1) An operator of an online marketplace must preserve and make available records relating to a relevant taxable supply in accordance with the requirements of Article 242a of the VAT Directive and Article 54c of the Implementing Regulation.

(2) In this paragraph—

“the Implementing Regulation” has the same meaning as in Schedule 9ZE;

“relevant taxable supply” means a supply of goods where that supply is deemed to be a supply by an operator of an online marketplace by virtue of section 5B (as it has effect in accordance with paragraph 1B of this Schedule);

“the VAT Directive” has the same meaning as in Schedule 9ZE.”

Textual Amendments

F13 Sch. 9ZC paras. 3A, 3B inserted (10.6.2021 for specified purposes, 1.7.2021 in so far as not already in force) by Finance Act 2021 (c. 26), s. 95(6)(a), Sch. 18 para. 8(5); S.I. 2021/770, reg. 3

3B (1) Sub-paragraph (2) applies (instead of section 6) to a supply of goods deemed to have taken place by section 5B(2)(a) or (b) (as it has effect in accordance with paragraph 1B of this Schedule).

(2) The supply of goods is to be treated as taking place at the time when payment for the goods has been accepted within the meaning of Article 41a of the Implementing Regulation.

(3) In this paragraph, “the Implementing Regulation” has the same meaning as in Schedule 9ZE.]

Textual Amendments

F13 Sch. 9ZC paras. 3A, 3B inserted (10.6.2021 for specified purposes, 1.7.2021 in so far as not already in force) by Finance Act 2021 (c. 26), s. 95(6)(a), Sch. 18 para. 8(5); S.I. 2021/770, reg. 3

4 (1) Sub-paragraph (2) applies, instead of section 15(4) and (5) (as modified by paragraph 1 of Schedule 9ZB), where—

(a) goods are imported into the United Kingdom as a result of their entry into Northern Ireland in the course or furtherance of a business by a person (“P”),

(b) that importation is in the course of a taxable supply to a person (“R”) who—
 (i) is not registered under this Act, or

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- (ii) is registered under this Act but who has not provided P or, where the supply is facilitated by an online marketplace, the operator of that marketplace, with R's VAT registration number,
- (c) the intrinsic value of the consignment of which the goods are part is not more than £135, and
- (d) the consignment of which the goods are part—
 - (i) does not contain excepted goods, and
 - (ii) is not a consignment in relation to which a postal operator established outside the United Kingdom has an obligation under an agreement with the Commissioners to pay any import VAT that is chargeable on the importation of that consignment into the United Kingdom.
- (2) The person who is treated as having imported the goods is—
 - (a) in a case where the supply is facilitated by an online marketplace, the operator of the online marketplace, or
 - (b) in any other case, P.
- (3) In sub-paragraph (1)(b)(ii), “VAT registration number” means the number allocated by the Commissioners to a person registered under this Act.
- (4) For the purposes of sub-paragraph (1)(d)(i), “excepted goods” means goods of a class or description subject to any duty of excise whether or not those goods are in fact chargeable with that duty, and whether or not that duty has been paid on the goods.
- (5) The Commissioners may by regulations substitute a different figure for a figure that is at any time specified in sub-paragraph (1)(c).
- I^{F14} 4A (1) Sub-paragraph (2) applies, instead of paragraph 4(3) [F15, (3A)] and (4) of Schedule 9ZB, in relation to a removal of goods from Northern Ireland to Great Britain or, as the case may be, vice versa where—
 - (a) the removal is in the course of a supply by a person established outside of the United Kingdom (“P”), and
 - (b) the supply is facilitated by an online marketplace.
- (2) The operator of the online marketplace is the person who is treated as having imported the goods.
- (3) But sub-paragraph (2) does not apply where the person to whom the goods are supplied (“R”)—
 - (a) is registered under this Act,
 - (b) has provided the operator of the online marketplace with R's VAT registration number, and
 - (c) the operator of the online marketplace has provided P with that number and details of the supply before the end of the relevant period.
- (4) In sub-paragraph (3)—

“relevant period” means the period of 7 days beginning with the day on which the supply is treated as taking place under section 6 or such longer period as the Commissioners may allow in general or specific directions;

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

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- (5) The Commissioners may by regulations specify the details that must be provided for the purposes of sub-paragraph (3)(c).]

Textual Amendments

- F14** Sch. 9ZC para. 4A 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. 29(3)** (with [Sch. 2 para. 7\(7\)-\(9\)](#)); S.I. 2020/1642, **reg. 9**
- F15** Word in Sch. 9ZC para. 4A inserted (1.8.2021) by [The Value Added Tax \(Miscellaneous Amendments and Repeals\) \(EU Exit\) Regulations 2021 \(S.I. 2021/714\)](#), regs. 1, **6(3)** (as amended by S.I. 2021/779, regs. 1, 2)

F16PART 2

MODIFICATION OF THE VALUE ADDED TAX (IMPORTED GOODS) RELIEF ORDER 1984

Textual Amendments

- F16** [Sch. 9ZC Pt. 2](#) omitted (10.6.2021 for specified purposes, 1.7.2021 in so far as not already in force) by virtue of [Finance Act 2021 \(c. 26\)](#), s. 95(6)(a), **Sch. 18 para. 7**; S.I. 2021/770, **reg. 3**

5

F17PART 2A

MODIFICATION OF THE VALUE ADDED TAX REGULATIONS 1995

Textual Amendments

- F17** [Sch. 9ZC Pt. 2A](#) inserted (10.6.2021 for specified purposes, 1.7.2021 in so far as not already in force) by [Finance Act 2021 \(c. 26\)](#), s. 95(6)(a), **Sch. 18 para. 8(6)**; S.I. 2021/770, **reg. 3**

- 5A (1) In the Value Added Tax Regulations 1995 (S.I. 1995/2518), Part 3 (VAT invoices and other invoicing requirements) has effect subject to the following modifications.
- (2) In regulation 13 (obligation to provide a VAT invoice), paragraph (1C) has effect as if—
- (a) in sub-paragraph (a), after “section 5A” there were inserted “ or 5B (as it has effect in accordance with paragraph 1B of Schedule 9ZC to the Act) ”;
 - (b) in sub-paragraph (b), after “section 7(5B) of” there were inserted “ , or paragraph 38 of Schedule 9ZE to, ”.
- (3) In regulation 13A (electronic invoicing), paragraph (5) has effect as if—
- (a) in sub-paragraph (a), after “section 5A” there were inserted “ or 5B (as it has effect in accordance with paragraph 1B of Schedule 9ZC to the Act) ”;
 - (b) in sub-paragraph (b), after “section 7(5B) of” there were inserted “ , or paragraph 38 of Schedule 9ZE to, ”.
- (4) Regulation 16B (retailers' and simplified invoices: exceptions), has effect as if—

Changes to legislation: There are currently no known outstanding effects for the Value Added Tax Act 1994, SCHEDULE 9ZC. (See end of Document for details)

- (a) in sub-paragraph (a), after “section 5A” there were inserted “ or 5B (as it has effect in accordance with paragraph 1B of Schedule 9ZC to the Act) ”;
- (b) in sub-paragraph (b), after “section 7(5B) of” there were inserted “ , or paragraph 38 of Schedule 9ZE to, ”.]

PART 3

REGISTRATION

Liability to be registered

- 6 (1) A person who is treated as having imported goods under Part 1 of this Schedule and—
 - (a) is not registered under this Act, and
 - (b) is not liable to be registered under Schedule 1, 1A or 9ZA to this Act,
 becomes liable to be registered under this Schedule at the point they are so treated.
- (2) A person who is not registered or liable to be registered as mentioned in sub-paragraph (1)(a) and (b) becomes liable to be registered under this Schedule at any time if there are reasonable grounds for believing that the person will be treated as having imported goods under Part 1 of this Schedule in the following 30 days.
- (3) A person is treated as having become liable to be registered under this Schedule at any time when the person would have become so liable under the preceding provisions of this paragraph but for any registration which is subsequently cancelled under paragraph 11(2) of this Schedule, paragraph 13(3) of Schedule 1, paragraph 11 of Schedule 1A, paragraph 6(2) of Schedule 3A or paragraph 43 or 53 of Schedule 9ZA.
- (4) A person does not cease to be liable to be registered under this Schedule except in accordance with paragraph 7.
- 7 (1) A person who has become liable to be registered under this Schedule ceases to be so liable at any time if the Commissioners are satisfied that the person is no longer a person who is, or will be, treated as having imported goods under Part 1 of this Schedule.
- (2) But a person does not cease to be liable to be registered under this Schedule at any time if there are reasonable grounds for believing that the person will be treated as having imported goods under Part 1 of this Schedule in the following 30 days.

Notification of liability and registration

- 8 (1) A person who becomes liable to be registered under this Schedule must notify the Commissioners of the liability—
 - (a) in the case of a liability under sub-paragraph (1) of paragraph 6, within 30 days of the person becoming so liable, and
 - (b) in the case of a liability under sub-paragraph (2) of that paragraph, before the end of the period by reference to which the liability arises.
- (2) The Commissioners must register any such person (whether or not the person notifies them) with effect from the relevant time.
- (3) In this paragraph “the relevant time”—

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- (a) in a case falling within sub-paragraph (1)(a), means the beginning of the day on which the liability arose, and
- (b) in a case falling within sub-paragraph (1)(b), means the beginning of the period by reference to which the liability arose.

Entitlement to be registered etc

- 9 (1) Where a person who is not liable to be registered under this Act and is not already so registered—
- (a) satisfies the Commissioners that the person intends to make or facilitate a relevant supply from a specified date, and
 - (b) requests to be registered under this Schedule,
- the Commissioners may, subject to such conditions as they think fit to impose, register the person with effect from such date as may be agreed between the Commissioners and the person.
- (2) Conditions imposed under sub-paragraph (1) may—
- (a) be so imposed wholly or partly by reference to, or without reference to, any conditions prescribed for the purposes of this paragraph, and
 - (b) be subsequently varied by the Commissioners (whenever the conditions were imposed).
- (3) Where a person who is entitled to be registered under paragraph 9 or 10 of Schedule 1 requests registration under this paragraph, the person is to be registered under that Schedule, and not under this Schedule.

Notification of matters affecting continuance of registration

- 10 (1) Any person registered under this Schedule who ceases to be registrable under this Act must notify the Commissioners of that fact within 30 days of the day on which the person ceases to be registrable.
- (2) A person registered under paragraph 9(1) must notify the Commissioners, within 30 days of the first occasion after the person's registration when the person makes or facilitates a relevant supply, that the person has made or facilitated that supply.
- (3) For the purposes of this paragraph a person ceases to be registrable under this Act where—
- (a) the person ceases to be a person who would be liable or entitled to be registered under this Act if the person's registration and any enactment preventing a person from being liable to be registered under different provisions at the same time were disregarded, or
 - (b) in the case of a person who (having been registered under paragraph 9(1)) has not been such a person during the period of the person's registration, the person ceases to have any intention of making or facilitating relevant supplies.

Cancellation of registration

- 11 (1) Where a person registered under this Schedule satisfies the Commissioners that the person is not liable to be so registered, the Commissioners must, if the person so requests, cancel that registration with effect from the day on which the request is

Changes to legislation: There are currently no known outstanding effects for the Value Added Tax Act 1994, SCHEDULE 9ZC. (See end of Document for details)

made or from such later date as may be agreed between the Commissioners and the person.

- (2) Where the Commissioners are satisfied that a person registered under this Schedule has ceased since the person's registration to be registrable under this Schedule, they may cancel that registration with effect from the day on which the person so ceased or from such later date as may be agreed between the Commissioners and the person.
- (3) Where the Commissioners are satisfied that a person who has been registered under paragraph 9(1) and is not for the time being liable to be registered under this Schedule—
 - (a) has not begun, by the date specified in the person's request to be registered, to make or facilitate relevant supplies, or
 - (b) has contravened any condition of the person's registration,
 the Commissioners may cancel the person's registration with effect from the date so specified or, as the case may be, the date of the contravention or from such later date as may be agreed between the Commissioners and the person.
- (4) But the Commissioners may not, under sub-paragraph (1), (2) or (3), cancel a person's registration with effect from any time unless the Commissioners are satisfied that it is not a time when that person would be subject to a requirement, or in a case falling under sub-paragraph (2) or (3) a requirement or entitlement, to be registered under this Act.
- (5) Where the Commissioners are satisfied that, on the day on which a person was registered under this Schedule, the person—
 - (a) was not registrable under this Schedule, and
 - (b) in the case of a person registered under paragraph 9(1), did not have the intention by reference to which the person was registered,
 the Commissioners may cancel that registration with effect from that day.
- (6) In determining, for the purposes of sub-paragraph (4), whether a person would be subject to a requirement, or would be entitled, to be registered at any time, so much of any provision of this Act as prevents a person from becoming liable or entitled to be registered when the person is already registered or when the person is so liable under any other provision is to be disregarded.
- (7) For the purposes of this paragraph, a person is registrable under this Schedule at any time when the person is liable to be registered under this Schedule or is a person who makes or facilitates relevant supplies.

Notifications

- 12 Any notification required under this Part of this Schedule must be made in such form and manner and must contain such particulars as may be specified in regulations or by the Commissioners in accordance with regulations.

Meaning of relevant supply

- 13 For the purposes of this Part of this Schedule a supply is a “relevant supply” if the person making or facilitating it would be treated as having imported goods under Part 1 of this Schedule.

Changes to legislation: There are currently no known outstanding effects for the
Value Added Tax Act 1994, SCHEDULE 9ZC. (See end of Document for details)

Modification of the Finance Act 2008

14 Paragraph 1 of Schedule 41 to the Finance Act 2008 (penalties: failure to notify etc)
has effect as if in the table there were inserted the following entry—

“Value added tax	Obligation under paragraph 8 of Schedule 9ZC to VATA 1994 (obligations to notify liability to register and notify matters affecting continuance of registration).”]
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Changes to legislation:

There are currently no known outstanding effects for the Value Added Tax Act 1994, SCHEDULE 9ZC.