

Changes to legislation: There are currently no known outstanding effects for the Value Added Tax Act 1994.
 Cross Heading: Default surcharge: exceptions for reasonable excuse etc. (See end of Document for details)

SCHEDULES

[^{F1}SCHEDULE 9ZD

DISTANCE SELLING OF GOODS FROM NORTHERN IRELAND: SPECIAL ACCOUNTING SCHEME

Textual Amendments

- F1** Schs. 9ZD-9ZF inserted (10.6.2021 for specified purposes, 1.7.2021 for specified purposes) by Finance Act 2021 (c. 26), s. 95(6)(a), Sch. 18 para. 6; S.I. 2021/770, regs. 3, 4 (with regs. 5-7)

PART 5

COLLECTION OF ^{F1}...UK VAT

Textual Amendments

- F1** Word in Sch. 9ZD Pt. 5 heading omitted (1.4.2022) by virtue of The Value Added Tax (Enforcement Related to Distance Selling and Miscellaneous Amendments) Regulations 2022 (S.I. 2022/226), regs. 1, 7

Default surcharge: exceptions for reasonable excuse etc

- 29 (1) A person who would otherwise have been liable to a surcharge under paragraph 28(1) is not to be liable to the surcharge if the person satisfies the Commissioners or, on appeal, the tribunal that, in the case of a default which is material to the surcharge—
- (a) [^{F2}the OSS scheme return or] the non-UK return or, as the case may be, the VAT shown on that return, was despatched at such a time and in such manner that it was reasonable to expect that it would be received by [^{F3}the Commissioners or] the tax authorities for the administering member State [^{F4}(as the case may be)] within the appropriate time limit, or
 - (b) there is a reasonable excuse for the return or the VAT not having been so despatched.
- (2) Where sub-paragraph (1) applies to a person—
- (a) the person is treated as not having been in default in respect of the tax period in question, and
 - (b) accordingly, any special surcharge liability notice the service of which depended on that default is regarded as not having been served.
- (3) A default is “material” to a surcharge if—
- (a) it is the default which gives rise to the surcharge, under paragraph 28(1), or
 - (b) it is a default which was taken into account in the service of the special surcharge liability notice on which the surcharge depends and the person concerned has not previously been liable to a surcharge in respect of a tax

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period ending within the special surcharge period specified in or extended by that notice.

- (4) A default is left out of account for the purposes of paragraphs 27(3) and 28(1) if—
 - (a) the conduct by virtue of which the person is in default is also conduct falling within section 69(1) (breaches of regulatory provisions), and
 - (b) by reason of that conduct the person concerned is assessed to a penalty under that section.
- (5) If the Commissioners, after consultation with the Treasury, so direct, a default in respect of a tax period specified in the direction is to be left out of account for the purposes of paragraphs 27(3) and 28(1).
- (6) Section 71(1) (meaning of “reasonable excuse”) applies for the purposes of this paragraph as it applies for the purposes of sections 59 to 70.]

Textual Amendments

- F2** Words in Sch. 9ZD para. 29(1)(a) inserted (1.4.2022) by The Value Added Tax (Enforcement Related to Distance Selling and Miscellaneous Amendments) Regulations 2022 (S.I. 2022/226), regs. 1, **13(a)**
- F3** Words in Sch. 9ZD para. 29(1)(a) inserted (1.4.2022) by The Value Added Tax (Enforcement Related to Distance Selling and Miscellaneous Amendments) Regulations 2022 (S.I. 2022/226), regs. 1, **13(b)**
- F4** Words in Sch. 9ZD para. 29(1)(a) inserted (1.4.2022) by The Value Added Tax (Enforcement Related to Distance Selling and Miscellaneous Amendments) Regulations 2022 (S.I. 2022/226), regs. 1, **13(c)**

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