

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

SCHEDULES

[^{F1}SCHEDULE 9ZF

Section 40A

MODIFICATIONS ETC IN CONNECTION WITH SCHEDULES 9ZD AND 9ZE

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 1

MODIFICATIONS OF THIS ACT

1 This Act has effect subject to the following modifications.

[^{F2}1A. Section 3 (taxable persons and registration) has effect as if, after subsection (4), there were inserted—

“(5) A person is not to be treated as being registered under this Act merely by virtue of the person being registered under the OSS scheme (within the meaning of Schedule 9ZD) or the IOSS scheme (within the meaning of Schedule 9ZE).”.]

Textual Amendments

- F2** Sch. 9ZF para. 1A inserted (1.12.2021) by The Value Added Tax (Distance Selling and Miscellaneous Amendments) Regulations 2021 (S.I. 2021/1164), regs. 1, 20

^{F3}2

Textual Amendments

- F3** Sch. 9ZF para. 2 omitted (1.12.2021) by virtue of The Value Added Tax (Distance Selling and Miscellaneous Amendments) Regulations 2021 (S.I. 2021/1164), regs. 1, 21

3 (1) Section 76 (assessment of amounts due by way of penalty, interest or surcharge) has effect subject to the following modifications.

(2) Subsection (1)(a) has effect as if for “or 59A,” there were substituted “, section 59A, paragraph 28 of Schedule 9ZD or paragraph 22 of Schedule 9ZE, ”.

(3) That section has effect as if after subsection (3) there were inserted—

“(3A) In the case of a surcharge under paragraph 28 of Schedule 9ZD or paragraph 22 of Schedule 9ZE, the assessment under this section is of an amount due in

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

respect of “the relevant period”, that is to say, the tax period (see section 76A) in respect of which the person is in default and in respect of which the surcharge arises.”

4 This Act has effect as if after section 76 there were inserted—

“Section 76: cases involving special accounting schemes

- (1) References in section 76 to a prescribed accounting period are to be read as including a tax period so far as that is necessary for the purposes of the references in section 76(1)(a) to paragraph 28 of Schedule 9ZD and paragraph 22 of Schedule 9ZE (assessment of surcharge in certain cases involving special accounting schemes).
- (2) References in section 77 to a prescribed accounting period are to be read accordingly.
- (3) In this section and section 76 “tax period” means a tax period as defined in paragraph 38 of Schedule 9ZD or paragraph 43 of Schedule 9ZE, as the case may be.”

[^{F4}5 (1) Section 80 (credit for, or repayment of, overstated or overpaid VAT) has effect subject to the following modifications.

(2) Subsection (7) has effect as if after “this section” there were inserted “(and paragraph 31 of Schedule 9ZD and paragraph 25 of Schedule 9ZE)”.

(3) That section has effect as if after subsection (7) there were inserted—

“(8) References in this section to output tax include references to UK VAT paid under and in accordance with Schedule 9ZD or 9ZE by a person who is registered under the OSS scheme or IOSS scheme (as the case may be) but who is not a taxable person.

(9) In subsection (8), “UK VAT”, the “OSS scheme” and the “IOSS scheme” have the same meanings as in Schedules 9ZD and 9ZE.

(10) References in this section to a prescribed accounting period include a tax period (within the meanings of Schedules 9ZD and 9ZE).”]

Textual Amendments

F4 Sch. 9ZF para. 5 substituted (1.4.2022) by [The Value Added Tax \(Enforcement Related to Distance Selling and Miscellaneous Amendments\) Regulations 2022 \(S.I. 2022/226\)](#), regs. 1, **25(2)**

6 Section 84 (further provision about appeals) has effect as if in subsection (6), after “section 70” there were inserted “ or (as the case may be) paragraph 28 of Schedule 9ZD or paragraph 22 of Schedule 9ZE ”.

7 Schedule 1 (registration in respect of taxable supplies: UK establishment) has effect as if in paragraph 1 (liability to be registered), after sub-paragraph (1) there were inserted—

“(1A) Where the person is UK-established and [^{F5}a participant in a special scheme within the meaning of] Schedule 9ZE, in determining the value of a person's supplies for the purpose of sub-paragraph (1), any qualifying supply of goods

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

(within the meaning of that Schedule) made by the person that is treated as supplied in the United Kingdom by virtue of paragraph 38 of that Schedule is to be taken into account.”

Textual Amendments

F5 Words in [Sch. 9ZF para. 7](#) substituted (1.12.2021) by [The Value Added Tax \(Distance Selling and Miscellaneous Amendments\) Regulations 2021 \(S.I. 2021/1164\)](#), regs. 1, **22**

8 Schedule 1A (registration in respect of taxable supplies: non-UK establishment) has effect as if after paragraph 11 there were inserted—

“12 Paragraphs 8 to 11 are subject to paragraph 18 of Schedule 9ZD and paragraph 35 of Schedule 9ZE (cancellation of registration of persons seeking to be registered under the Schedule concerned).”

[F6 8A. Schedule 11 (administration, collection and enforcement) has effect as if in paragraph 4 (power to require security and production of evidence), after sub-paragraph (1A) there were inserted—

“(1B) For the purposes of sub-paragraph (1A) “VAT credit” includes a repayment of an amount of VAT paid under and in accordance with Schedule 9ZD or 9ZE (the OSS and IOSS schemes).”]

Textual Amendments

F6 [Sch. 9ZF para. 8A](#) 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, **25(3)**

PART 2

MODIFICATIONS ETC OF OTHER ACTS

Finance Act 2007

9 In Schedule 24 to FA 2007, [^{F7}paragraph] 1 (error in taxpayer's document) has effect as if—

(a) in the table, after the entry relating to a VAT return, statement or declaration in connection with a claim there were inserted—

“VAT	Return under a special accounting scheme.”;
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(b) before sub-paragraph (5) there were inserted—

“(4A) In this paragraph “return under a special accounting scheme” means any of the following, so far as relating to supplies of goods treated as made in the United Kingdom—

(a) an OSS scheme return or a relevant non-UK return under Schedule 9ZD to VATA 1994 (see paragraphs 11 and 22(3) of that Schedule);

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

- (b) a relevant special scheme return under Schedule 9ZE to VATA 1994 (see paragraphs 11 and 16(3) of that Schedule).

[In a case where a return under a special accounting scheme is ^{F8}(4B) required to be submitted to an authority other than HMRC, for the purposes of sub-paragraph (1) the return is regarded as given to HMRC when it is submitted to that authority.”]

Textual Amendments

- F7** Word in *Sch. 9ZF para. 9* substituted (1.4.2022) by *The Value Added Tax (Enforcement Related to Distance Selling and Miscellaneous Amendments) Regulations 2022 (S.I. 2022/226)*, regs. 1, **26(a)**
- F8** Words in *Sch. 9ZF para. 9(b)* 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, **26(b)**

Finance Act 2009

- 10 FA 2009 has effect subject to the following modifications.
- 11 Section 101 (late payment interest on sums due to HMRC) has effect as if after subsection (9) there were inserted—
- “(10) The reference in subsection (1) to amounts payable to HMRC includes—
- (a) amounts of UK VAT payable under a non-UK scheme;
- (b) amounts of UK VAT payable under a special scheme;
- and references in Schedule 53 to amounts due or payable to HMRC are to be read accordingly.
- (11) In subsection (10)—
- (a) expressions used in paragraph (a) have the same meaning as in Schedule 9ZD to VATA 1994 (the OSS scheme);
- (b) expressions used in paragraph (b) have the same meaning as in Schedule 9ZE to VATA 1994 (the IOSS scheme).”
- 12 Section 108 (suspension of penalties during currency of agreement for deferred payment) has effect as if in the table in subsection (5), in the entry relating to value added tax, in the second column, after “1994” there were inserted, “or under paragraph 28 of Schedule 9ZD or paragraph 22 of Schedule 9ZE, to that Act ”.

Taxation (Cross-border Trade) Act 2018

- 13 (1) Section 54 of the Taxation (Cross-border Trade) Act 2018 (prohibition on collection of certain taxes or duties on behalf of country or territory without reciprocity) does not apply in relation to VAT collected by HMRC under Schedule 9ZD or 9ZE.
- (2) But sub-paragraph (1) is not to be read as having any bearing on whether or not, in the absence of that sub-paragraph, accounting for VAT collected under those Schedules would otherwise have been authorised.

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

PART 3

MODIFICATIONS OF SECONDARY LEGISLATION

Value Added Tax Regulations 1995

- 14 The Value Added Tax Regulations 1995 (S.I. 1995/2518) have effect subject to the following modifications.
- 15 In Part 5A (reimbursement arrangements), regulation 43A (interpretation of Part 5A) has effect as if, in the definition of “claim”, after paragraph (a) there were inserted—
- “(b) a claim made under paragraph 31 of Schedule 9ZD, or paragraph 25 of Schedule 9ZE, to the Act (claims which have effect for the purpose of section 80(3) of the Act as if they were section 80 claims).”
- 16 (1) Part 19 (bad debt relief (the new scheme)) has effect subject to the following modifications.
- (2) Regulation 165 (interpretation of Part 19) has effect as if—
- (a) in the definition of “claim”, after “regulations 166” there were inserted “ or 166A ”;
- (b) in the definition of “return”, after “regulation 25” there were inserted “but “relevant non-UK return” has the meaning given by paragraph 22(3) of Schedule 9ZD to the Act and “relevant special scheme return” has the meaning given by paragraph 16(3) of Schedule 9ZE to the Act”;
- (c) at the appropriate place there were inserted—
- ““tax period” has the meaning given by paragraph 38 of Schedule 9ZD or paragraph 43 of Schedule 9ZE (as the case may be) to the Act”.
- (3) Regulation 166 (the making of a claim to the Commissioners) has effect as if, at the beginning of paragraph (1) there were inserted “Subject to regulation 166A, and”.
- (4) That Part has effect as if after regulation 166 there were inserted—

“The making of a claim to the Commissioners: special accounting schemes

- 166A(1) This regulation applies where the VAT on the relevant supply was accounted for on a relevant non-UK return or a relevant special scheme return.
- (2) Where this regulation applies, the claimant must make the claim by—
- (a) amending, in accordance with Article 61 of the Implementing Regulation, that relevant non-UK return or relevant special scheme return, or
- (b) (where the period during which a person is entitled to make such an amendment has expired) notifying the Commissioners of the claim in writing in English.”
- (5) Regulation 168 (records required to be kept by the claimant) has effect as if after paragraph (3) there were inserted—

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

“(4) Where regulation 166AA applies, “prescribed accounting period” in this regulation is to be read as “tax period”.”

(6) Regulation 171 (repayment of a refund) has effect as if at—

- (a) at the beginning of paragraph (1) there were inserted “Subject to regulation 171A,”;
- (b) at the beginning of paragraph (2) there were inserted “Subject to regulation 171B,”;
- (c) at the beginning of paragraph (3) there were inserted “subject to regulation 171B and,”.

(7) Those Regulations have effect as if after regulation 171 there were inserted—

*“Calculation of repayment where reduction
in consideration: special accounting schemes*

171A In a case falling within sub-paragraph (b)(iii) of regulation 171(1) where the VAT on the relevant supply was accounted for on a relevant non-UK return or a relevant special scheme return, the amount to be repaid is such an amount as is equal to the amount by which the VAT chargeable on the relevant supply is reduced.

Timing and method of repayments: special accounting schemes

171B) Where—

- (a) the VAT on the relevant supply was accounted for on a relevant non-UK return or a relevant special scheme return, and
- (b) a repayment is required by regulation 171(1),

that repayment must be made no later than twenty days after the end of the tax period in which the payment for the relevant supply is received or the reduction in consideration is accounted for in the claimant's business accounts.

(2) Where—

- (a) the VAT on the relevant supply was accounted for on a relevant non-UK return or a relevant special scheme return, and
- (b) a repayment is required by regulation 171(3),

that repayment must be made no later than twenty days after the end of the tax period in which the failure to comply first occurred.

(3) In either case the repayment must be made by—

- (a) amending the relevant non-UK return or the relevant special scheme return for the tax period in which the VAT on the relevant supply was brought into account, or
- (b) (where the relevant period has expired) sending the sum due to the Commissioners.

(4) In sub-paragraph (3)(b), the “relevant period” is the period of 3 years beginning with the day on which the relevant non-UK return or the relevant special scheme return for the tax period in which the VAT on the relevant supply was brought into account was required to be submitted.”

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

- 17 (1) Part 20A of those Regulations (Repayments to EU traders incurring VAT on goods in Northern Ireland) has effect subject to the following modifications.
- (2) Regulation 184D has effect as if, in the alternative version of regulation 173B(2)(c), after “Northern Ireland” there were inserted “, unless it is a supply or importation—
- (a) that is a scheme supply for the purposes of Schedule 9ZD to the Act, and
 - (b) that is made by a person who is registered under that Schedule when the supply is made”;
- (3) Regulation 184I has effect as if, in the alternative version of regulation 173L(2), after “Northern Ireland” there were inserted “, unless it is a supply—
- (a) that is a scheme supply for the purposes of Schedule 9ZD of the Act, and
 - (b) that is made by a person who is registered under that Schedule when the supply is made”.
- 18 The Regulations have effect as if after regulation 213 there were inserted—

“PART 26

UK OSS AND IOSS SPECIAL ACCOUNTING SCHEMES: REGISTRATION, NOTIFICATION OF CHANGES AND RETURNS

Interpretation

214 (1) In this Part—

“applicant” means a person making a registration request under paragraph 5 of Schedule 9ZD or paragraph 5 of Schedule 9ZE to the Act;

“principal VAT Directive” means Council Directive [2006/112/EC](#) of 28 November on the common system of value added tax;

“relevant place” means Northern Ireland or a member State.

(2) In regulations 215 and 216, references to a number allocated under Article 362 of the principal VAT Directive mean a number allocated at any time under that Article.

Registration requests: OSS scheme

215 A registration request under paragraph 5 of Schedule 9ZD to the Act must contain details of—

- (a) any VAT identification number or tax reference number by which the applicant is identified for VAT purposes by any relevant place in accordance with Article 214, Article 239 or Article 240 of the principal VAT Directive, and the name of that relevant place,
- (b) any number previously allocated to the applicant by a member State or the United Kingdom under Article 362 of the principal VAT Directive, or otherwise for the purposes of Article 369d of the principal VAT Directive, and the name of that relevant place,
- (c) where the applicant has previously been identified under a non-UK scheme (within the meaning of Schedule 9ZD to the Act), the date the applicant ceased to be so identified,

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

- (d) whether the applicant is treated as a member of a group under any of sections 43A to 43D of the Act, and
- (e) the name of any relevant place in which the applicant has a fixed establishment, and the address of each such fixed establishment.

Registration requests: IOSS scheme

- 216 A registration request under paragraph 5 of Schedule 9ZE to the Act must contain details of—
- (a) any VAT identification number or tax reference number by which the applicant is identified for VAT purposes by any relevant place in accordance with Article 214, Article 239 or Article 240 of the principal VAT Directive, and the name of that relevant place, and
 - (b) any number previously allocated to the applicant by a member State or the United Kingdom under Article 362 of the principal VAT Directive, or otherwise for the purposes of Article 369q of the principal VAT Directive, and the name of that relevant place.

Registration requests: declaration

- 217 A registration request under paragraph 5 of Schedule 9ZD or paragraph 5 of Schedule 9ZE to the Act must also contain a declaration by the applicant that the information the applicant has provided in the registration request is accurate and complete to the best of the applicant's knowledge.

Requirement to use electronic portal

- 218 The following communications must be made by using the electronic portal set up by the Commissioners for the purposes of implementing Sections 3 and 4 of Chapter 6 of Title XII to the principal VAT Directive—
- (a) a registration request under paragraph 5 of Schedule 9ZD or paragraph 5 of Schedule 9ZE to the Act;
 - (b) the information required by paragraph 8 of Schedule 9ZD or paragraph 8 of Schedule 9ZE to the Act;
 - (c) a return required under paragraph 11 of Schedule 9ZD or paragraph 11 of Schedule 9ZE to the Act.

PART 27

NON-UK OSS AND IOSS SPECIAL ACCOUNTING SCHEMES: ADJUSTMENTS, CLAIMS AND ERROR CORRECTION

Meaning of “tax period”

- 219 In this Part, “tax period” has the meaning given by paragraph 38 of Schedule 9ZD or paragraph 43 of Schedule 9ZE (as the case may be) to the Act.

Amending a special accounting scheme return

- 219A) Any amendment to a return under a special accounting scheme for a tax period in which a relevant supply was brought into account must—

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

- (a) be made in a subsequent return under a special accounting scheme of the same type,
 - (b) be made before the end of the period of three years beginning with the day on which the return for the tax period in which the relevant supply was brought into account was required to be submitted, and
 - (c) include details of—
 - (i) the member State in which the relevant supply was made;
 - (ii) the tax period to which the amendment relates;
 - (iii) the amount of VAT concerned.
- (2) In this regulation, “return under a special accounting scheme” means any of the following, so far as relating to supplies of goods treated as made in the United Kingdom—
- (a) an OSS scheme return or a relevant non-UK return under Schedule 9ZD to the Act (see paragraphs 11 and 22(3) of that Schedule);
 - (b) an IOSS scheme return or a relevant special scheme return under Schedule 9ZE to VATA 1994 (see paragraphs 11 and 16(3) of that Schedule).

Correction of errors on non-UK and special scheme returns more than 3 years after the date the original return was required to be made

- 220 (1) In this regulation “notice” means a notice given under paragraph 25(3) of Schedule 9ZD or paragraph 19(3) of Schedule 9ZE to the Act.
- (2) A person giving a notice (P) must do so—
- (a) no later than 4 years after the end of the tax period in respect of which the return identified in the notice was required to be made; and
 - (b) in writing in English.
- (3) P must also provide such documentary evidence in support of the notice as P possesses.

Claims in respect of overpaid VAT

- 221 (1) A person making a claim under paragraph 31(1) of Schedule 9ZD, or paragraph 25(1) of Schedule 9ZE, to the Act must provide to the Commissioners at the time of making the claim a statement in writing in English explaining how the claim is calculated.
- (2) A person making a claim under any other provision of paragraph 31 of Schedule 9ZD, or paragraph 25 of Schedule 9ZE to the Act must—
- (a) make that claim to the Commissioners, and
 - (b) provide to the Commissioners at the time of making the claim a statement in writing in English explaining how the claim is calculated.

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

*Increases or decreases in consideration occurring more
than 3 years after the end of the affected tax period*

222 (1) A claim or other notice made under paragraph 33(2)(b) of Schedule 9ZD or paragraph 27(2)(b) of Schedule 9ZE to the Act must be made in writing in English.

(2) A person making a payment—

- (a) under paragraph 33(3) of Schedule 9ZD to the Act in a case falling within paragraph 33(2)(b) of that Schedule, or
- (b) under paragraph 27(3) of Schedule 9ZE to the Act in a case falling within paragraph 27(2)(b) of that Schedule,

must do so no later than twenty days after the end of the tax period in which the increase in consideration is accounted for in the person's business accounts.

*Scheme participants who are also taxable
persons: disapplication of paragraph 19(1)*

223 (1) Paragraph 19(1) of Schedule 9ZD to the Act is not to apply in the case of an input tax obligation.

(2) In this regulation “input tax obligation” means an obligation imposed on a taxable person relating to a claim to deduction under section 25(2) of the Act or to payment of a VAT credit.”]

Changes to legislation:

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