

SCHEDULES

SCHEDULE 17

DISCLOSURE OF TAX AVOIDANCE SCHEMES: VAT AND OTHER INDIRECT TAXES

PART 1

DUTIES TO DISCLOSE AVOIDANCE SCHEMES ETC

“Tax advantage” in relation to VAT

- 6 (1) A person (P) obtains a tax advantage in relation to VAT if—
- (a) in any prescribed accounting period, the amount by which the output tax accounted for by P exceeds the input tax deducted by P is less than it would otherwise be;
 - (b) P obtains a VAT credit when P would otherwise not do so, or obtains a larger credit or obtains a credit earlier than would otherwise be the case;
 - (c) in a case where P recovers input tax as a recipient of a supply before the supplier accounts for the output tax, the period between the time when the input tax is recovered and the time when the output tax is accounted for is greater than would otherwise be the case;
 - (d) in any prescribed accounting period, the amount of P’s non-deductible tax is less than it otherwise would be;
 - (e) P avoids an obligation to account for tax.
- (2) In sub-paragraph (1)(d) “non-deductible tax”, in relation to a taxable person, means—
- (a) input tax for which the person is not entitled to credit under section 25 of VATA 1994,
 - (b) any VAT incurred by the person which is not input tax and in respect of which the person is not entitled to a refund from the Commissioners by virtue of any provision of VATA 1994.
- (3) For the purposes of sub-paragraph (2)(b), the VAT “incurred” by a taxable person is—
- (a) VAT on the supply to the person of any goods or services,
 - (b) VAT on the acquisition by the person from another member State of any goods,
 - (c) VAT paid or payable by the person on the importation of any goods from a place outside the member States.
- (4) A person who is not a taxable person obtains a tax advantage in relation to VAT if that person’s non-refundable tax is less than it otherwise would be.
- (5) In sub-paragraph (4) “non-refundable tax” means—

Status: This is the original version (as it was originally enacted).

- (a) VAT on the supply to the person of any goods or services,
- (b) VAT on the acquisition by the person from another member State of goods,
- (c) VAT paid or payable by the person on the importation of any goods from a place outside the member States,

but excluding (in each case) any VAT in respect of which the person is entitled to a refund from the Commissioners by virtue of any provision of VATA 1994.

- (6) Terms used in this paragraph which are defined in section 96 of VATA 1994 have the meanings given by that section.