



# Finance Act 2022

## 2022 CHAPTER 3

### PART 5

#### OTHER TAXES

##### *Value added tax*

#### **69 Interim operation of margin schemes for used cars etc: Northern Ireland**

- (1) Subsection (2) applies where a person supplies a margin scheme motor vehicle in the following circumstances—
  - (a) the vehicle was first registered before IP completion day,
  - (b) the person took possession of it in Great Britain or the Isle of Man,
  - (c) it was then removed to Northern Ireland, and
  - (d) in respect of the supply, the person is prevented from exercising a margin scheme option by, and only by, a Northern Ireland exclusion.
- (2) The person may exercise the margin scheme option in respect of the supply (despite the Northern Ireland exclusion), subject to any regulations under subsection (3) and any direction given under subsection (4) (and not withdrawn).
- (3) The Treasury may by regulations made by statutory instrument provide that a margin scheme option may not be exercised in reliance on subsection (2) where the vehicle was removed to Northern Ireland after a date specified in the regulations (the “end date”).
- (4) The Commissioners for Her Majesty’s Revenue and Customs may, in a notice published by them, direct that a margin scheme option may not be exercised in reliance on subsection (2) after a date specified in the notice.
- (5) Regulations under subsection (3) and notices under subsection (4) may specify different dates in relation to different cases.
- (6) The date specified in relation to a case in a notice under subsection (4) must fall after the end date specified in relation to the case.

---

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2022, Cross Heading: Value added tax. (See end of Document for details)*

---

(7) A statutory instrument containing regulations under subsection (3) is subject to annulment in pursuance of a resolution of the House of Commons.

(8) In this section—

“the 1992 Order” means the Value Added Tax (Cars) Order 1992 (S.I. 1992/3122);

“the 1995 Order” means the Value Added Tax (Special Provisions) Order 1995 (S.I. 1995/1268);

“margin scheme motor vehicle” means a mechanically propelled vehicle that is—

- (a) a used motor car, or
- (b) second-hand goods;

“margin scheme option” means the option under article 8(1) of the 1992 Order (relief for used motor cars) or article 12(1) of the 1995 Order (relief for second-hand goods etc);

“motor car” has the meaning given in the 1992 Order;

“Northern Ireland exclusion” means article 8(3)(e) of the 1992 Order (used motor car removed to Northern Ireland) or article 12(3)(aa) of the 1995 Order (second-hand goods etc removed to Northern Ireland);

“registered” means registered under—

- (a) VERA 1994, or
  - (b) the Licensing and Registration of Vehicles Act 1985 of the Isle of Man;
- “second-hand goods” has the meaning given in the 1995 Order;

“used”, in relation to a motor car, has the same meaning as in the 1992 Order.

(9) Subsections (1) to (8) come into force on such day as the Treasury may by regulations made by statutory instrument appoint.

(10) Regulations under subsection (9)—

- (a) may specify different days in relation to different cases, and
- (b) may provide for subsections (1), (2) and (8) to be treated as having come into force on IP completion day.

(11) The Treasury may by regulations made by statutory instrument make transitional, transitory or saving provision in connection with the coming into force of subsections (1) to (8), including provision making different provision in relation to different cases.

## 70 Margin schemes and removal or export of goods: VAT-related payments

In VATA 1994, after section 50A (margin schemes) insert—

### “50B Margin schemes and export or removal of goods

- (1) The Treasury may by order provide that, on making a claim, a person is entitled to a VAT-related payment in respect of relevant supplies or of a description of relevant supply specified in the order.
- (2) “Relevant supply”, in relation to a person making a claim, means a supply of goods to the person where—

---

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2022, Cross Heading: Value added tax. (See end of Document for details)*

---

- (a) the person took possession of the goods in Great Britain or the Isle of Man in the course of carrying on a business,
  - (b) the goods were then removed to Northern Ireland or exported,
  - (c) at the time of the removal or export (“the relevant time”), the person intended to resell the goods outside Great Britain and the Isle of Man in the course of carrying on the business, and
  - (d) if the circumstances of, and following, the supply to the person had been altered as described in subsection (3), the person would have been entitled to exercise an option under an order made under section 50A in respect of the resale of the goods.
- (3) The alterations mentioned in subsection (2)(d) are—
- (a) that (if it was not in fact so) the person was a taxable person,
  - (b) that the goods were not removed to Northern Ireland or exported (and VAT was charged on the supply of the goods to the person on that basis), and
  - (c) that the person resold the goods in Great Britain at the relevant time in the course of carrying on the business.
- (4) “VAT-related payment”, in respect of a supply of goods, means a payment of an amount equal to so much of the consideration for the supply as would have constituted VAT if—
- (a) the supply had taken place at the relevant time, and
  - (b) VAT had been chargeable on the value of the supply,
- subject to any provision made in reliance on subsection (5).
- (5) An order under this section may make provision for the amount of a VAT-related payment to be less than the amount described in subsection (4).
- (6) An order under this section may, among other things—
- (a) make entitlement to a VAT-related payment subject to conditions;
  - (b) make provision about the making of claims under the order;
  - (c) make provision for claims to be treated as if they were returns under this Act in respect of a particular period;
  - (d) make provision about the calculation of VAT-related payments, including provision about the calculation of the consideration for, or value of, a supply;
  - (e) make provision about how VAT-related payments are to be paid;
  - (f) make provision for VAT-related payments to be treated as if they were repayments of input tax;
  - (g) make provision requiring claims and payments to be made through agents in the United Kingdom;
  - (h) make provision for agents dealing with claims and payments under the order to be treated under this Act as if they were taxable persons;
  - (i) make provision for and in connection with the payment of interest to or by the Commissioners, including provision about interest wrongly paid.
- (7) An order under this section may, among other things—
- (a) confer power on the Commissioners to make provision in a direction or notice;

---

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2022, Cross Heading: Value added tax. (See end of Document for details)*

---

- (b) make provision, or enable the Commissioners to make provision, generally or for particular purposes;
  - (c) make provision applying a provision of or made under this Act or another enactment, with or without modifications, including provision relating to penalties and offences;
  - (d) make different provision for different purposes, including different provision in relation to persons carrying on business in different places or in relation to the removal or export of goods to different places;
  - (e) make consequential, incidental, supplementary, transitional, transitory or saving provision.
- (8) The provision that may be made under subsection (7)(e) includes provision amending an enactment or subordinate legislation.
- (9) References in this section to carrying on a business are to doing so in the United Kingdom or elsewhere.”

## 71 Margin schemes and removal or export of goods: zero-rating

- (1) VATA 1994 is amended as follows.
- (2) In section 30 (zero-rating), after subsection (6) insert—
- “(6A) Subsection (6) does not apply in the case of goods exported from Great Britain if, in respect of the supply, the supplier exercises an option under an order made under section 50A.”
- (3) In paragraph 3 of Schedule 9ZB (movements between Northern Ireland and Great Britain), after sub-paragraph (1) insert—
- “(1A) A supply of goods that involves the removal of goods from Great Britain to Northern Ireland is not zero-rated under sub-paragraph (1) if, in respect of the supply, the supplier exercises an option under an order made under section 50A.”
- (4) Subsections (1) to (3) come into force on such day as the Treasury may by regulations made by statutory instrument appoint.
- (5) Regulations under this section may specify different days for different purposes.
- (6) The Treasury may by regulations made by statutory instrument make transitional, transitory or saving provision in connection with the coming into force of subsections (1) to (3), including provision making different provision for different purposes.

### Commencement Information

- II** S. 71(1)-(3) in force at 1.5.2023 by S.I. 2023/69, reg. 2 (with reg. 3)

## 72 Relief on the importation of dental prostheses

- (1) In Schedule 2 to the Value Added Tax (Imported Goods) Relief Order 1984 (S.I. 1984/746), in Group 5 (health), after Item 10 insert—

---

**Changes to legislation:** There are currently no known outstanding effects for the Finance Act 2022, Cross Heading: Value added tax. (See end of Document for details)

---

- “11 Dental prostheses imported by or on behalf of—
- (a) a person registered in the dentists register;
  - (b) a person registered in the dental care professionals register established under section 36B of the Dentists Act 1984.”

- (2) The amendment made by subsection (1)—
- (a) has effect in relation to imports on or after IP completion day, and
  - (b) is to be treated as having been made under section 37(1) of VATA 1994 (VAT on importation of goods: reliefs etc) (and may be amended or revoked under that power accordingly).

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 2022, Cross Heading:  
Value added tax.