
STATUTORY INSTRUMENTS

1995 No. 2518

The Value Added Tax Regulations 1995

PART IX

SUPPLIES BY RETAILERS

Interpretation of Part IX

66. In this Part—

“notice” means any notice or leaflet published by the Commissioners pursuant to this Part;

“scheme” means a method as referred to in regulation 67.

Retail schemes

67. —

(1) The Commissioners may permit the value which is to be taken as the value, in any prescribed accounting period or part thereof, of supplies by a retailer which are taxable at other than the zero rate to be determined by a method agreed with that retailer or by any method described in a notice published by the Commissioners for that purpose; and they may publish any notice accordingly.

(2) The Commissioners may vary the terms of any method by—

- (a) publishing a fresh notice,
- (b) publishing a notice which amends an existing notice, or
- (c) adapting any method by agreement with any retailer.

68. The Commissioners may refuse to permit the value of taxable supplies to be determined in accordance with a scheme if it appears to them—

- (a) that the use of any particular scheme does not produce a fair and reasonable valuation during any period,
- (b) that it is necessary to do so for the protection of the revenue, or
- (c) that the retailer could reasonably be expected to account for VAT in accordance with regulations made under paragraph 2(1) of Schedule 11 to the Act.

69. No retailer may at any time use more than one scheme except as provided for in any notice or as the Commissioners may otherwise allow.

Notification of use of a scheme

70. Any retailer using any scheme shall notify the Commissioners in writing on every return made by him which scheme he is using.

Changing schemes

71. Save as the Commissioners may otherwise allow, a retailer who accounts for VAT on the basis of taxable supplies valued in accordance with any scheme shall, so long as he remains a taxable person, continue to do so for a period of not less than one year from the adoption of that scheme by him, and any change by a retailer from one scheme to another shall be made at the end of any complete year reckoned from the beginning of the prescribed accounting period in which he first adopted the scheme.

Ceasing to use a scheme

72. —

(1) A retailer shall notify the Commissioners before ceasing to account for VAT on the basis of taxable supplies valued in accordance with these regulations.

(2) A retailer may be required to pay VAT on such proportion as the Commissioners may consider fair and reasonable of any sums due to him at the end of the prescribed accounting period in which he last used a scheme.

Supplies under Schedule 8, Group 1

73. —

(1) Where the supplies by any retailer include both supplies of food which are zero-rated under Group 1 of Schedule 8 to the Act and supplies of food in the course of catering, he shall either—

- (a) keep such records as will enable the proportion of the value of such supplies which is to be attributed to zero-rated and all other supplies to be determined to the satisfaction of the Commissioners; or
- (b) where he can satisfy the Commissioners that it is impracticable to keep such records, make an estimate of the proportion of the value of such supplies which is to be attributed to zero-rated and all other supplies.

(2) Where any retailer makes an estimate in accordance with paragraph (1)(b) above, VAT shall be accounted for on the basis of that estimate; but, if at any time he has evidence, or the Commissioners are satisfied, that the estimate is no longer accurate, he shall thereupon make a further estimate in accordance with paragraph (1)(b) above and shall inform the Commissioners accordingly, and VAT shall be accounted for on the basis of such further estimate from such date as the Commissioners may direct.

(3) Where the Commissioners are not satisfied with any further estimate made under paragraph (2) above, they may determine the proportion of the value of supplies which is to be attributed to the various descriptions of supplies and VAT shall be accounted for in accordance with such determination from such date as the Commissioners shall direct.

Supplies under Schedule 8, Group 12

74. —

(1) A retailer who makes supplies of a description for the time being specified in Group 12 of Schedule 8 to the Act shall, in making any calculations in order to use any scheme, make an adjustment to those calculations in the manner prescribed by a notice published by the Commissioners for that purpose or in accordance with any agreement made by them with any such retailer.

(2) The Commissioners may vary the manner of adjustment of such calculations either by publishing a fresh notice or by agreement with any retailer.

Change in VAT

75. Where pursuant to any enactment there is a change in the VAT charged on any supply, including a change to or from no VAT being charged on such supply, a retailer using any scheme shall take such steps relating to that scheme as are directed in any notice applicable to him or as may be agreed between him and the Commissioners.