
STATUTORY INSTRUMENTS

1995 No. 2518

The Value Added Tax Regulations 1995

PART XIV

INPUT TAX AND PARTIAL EXEMPTION

Exceptional claims for VAT relief

111. —

(1) Subject to paragraphs (2) and (4) below, on a claim made in accordance with paragraph (3) below, the Commissioners may authorise a taxable person to treat as if it were input tax—

- (a) VAT on the supply of goods or services to the taxable person before the date with effect from which he was, or was required to be, registered, or paid by him on the importation or acquisition of goods before that date, for the purpose of a business which either was carried on or was to be carried on by him at the time of such supply or payment, and
- (b) in the case of a body corporate, VAT on goods obtained for it before its incorporation, or on the supply of services before that time for its benefit or in connection with its incorporation, provided that the person to whom the supply was made or who paid VAT on the importation or acquisition—
 - (i) became a member, officer or employee of the body and was reimbursed, or has received an undertaking to be reimbursed, by the body for the whole amount of the price paid for the goods or services,
 - (ii) was not at the time of the importation, acquisition or supply a taxable person, and
 - (iii) imported, acquired or was supplied with the goods, or received the services, for the purpose of a business to be carried on by the body and has not used them for any purpose other than such a business.

(2) No VAT may be treated as input tax under paragraph (1) above—

- (a) in respect of goods or services which had been supplied, or, in respect of goods, save as the Commissioners may otherwise allow, consumed—
 - (i) by the taxable person, or
 - (ii) in the case of paragraph (1)(b) above, by the person who imported, acquired or was supplied with the goods or services,
before the date with effect from which the taxable person was, or was required to be, registered,
- (b) in respect of services performed upon goods to which sub-paragraph (a) above applies, or
- (c) in respect of services which had been supplied—
 - (i) to the taxable person, or
 - (ii) in the case of paragraph (1)(b) above, to the person who received the services,
more than 6 months before the date of the taxable person's registration.

(3) A claim under paragraph (1) above shall, save as the Commissioners may otherwise allow, be made on the first return the taxable person makes and, as the Commissioners may require, be supported by invoices and other evidence.

(4) A taxable person making a claim under paragraph (1) above shall compile and preserve for such period as the Commissioners may require—

- (a) in respect of goods, a stock account showing separately quantities purchased, quantities used in the making of other goods, date of purchase and date and manner of subsequent disposals of both such quantities, and
- (b) in respect of services, a list showing their description, date of purchase and date of disposal, if any.

(5) If a person who has been, but is no longer, a taxable person makes a claim in such manner and supported by such evidence as the Commissioners may require, they may pay to him the amount of any VAT on the supply of services to him after the date with effect from which he ceased to be, or to be required to be, registered and which was attributable to any taxable supply made by him in the course or furtherance of any business carried on by him when he was, or was required to be, registered.