
STATUTORY INSTRUMENTS

1996 No. 1250

VALUE ADDED TAX

The Value Added Tax (Amendment) (No. 3) Regulations 1996

Made - - - - 9th May 1996

Laid before the House of

Commons - - - - 10th May 1996

Coming into force in accordance with regulation 1

The Commissioners of Customs and Excise, in exercise of the powers conferred on them by sections 18B(1)(d), 18B(2)(d), 18C(1)(c), 18C(1)(e), 18D(3), 18F(7), 18F(8), 26(1), 46(4) and 58 of and paragraphs 2(1), 2(2), 2(2A), 2(10)(a) and 6(1) of Schedule 11 to the Value Added Tax Act 1994⁽¹⁾, and of all other powers enabling them in that behalf, hereby make the following Regulations:

1.—(1) These Regulations may be cited as the Value Added Tax (Amendment) (No. 3) Regulations 1996 and, subject to paragraph (2) below, shall come into force on 1st June 1996.

(2) Where—

- (a) 28th April 1996 falls within the prescribed accounting period of a taxable person, and
- (b) that prescribed accounting period ends on or after 1st June 1996, the amendments made by regulations 10 and 14 below shall not, in relation to that taxable person, have effect until the day after the end of that prescribed accounting period.

2. In these Regulations unless the context otherwise requires—

“Part” refers to the relevant Part of the principal Regulations;

and,

“the principal Regulations” means the Value Added Tax Regulations 1995⁽²⁾.

3. The principal Regulations are amended in accordance with the following regulations.

4. In regulation 2(1) there is inserted immediately after the meaning given for “datapost packet”—

(1) 1994 c. 23; sections 18B, 18C, 18D and 18F were inserted by section 26 of and Schedule 3 to the Finance Act 1996 c. 8; paragraph 2(2A) of Schedule 11 was inserted by sections 38(1) and 38(2) of the Finance Act 1996; section 96(1) defines “the Commissioners” as the Commissioners of Customs and Excise and “regulations” as regulations made by the Commissioners under the Act.

(2) S.I. 1995/2518; regulations 14 and 101 were amended by S.I. 1995/3147 and there have been other amendments to S.I. 1995/2518 which are not relevant to these Regulations.

““fiscal or other warehousing regime” means “fiscal warehousing regime or warehousing regime”,”.

5. In regulation 9(2) between the expressions “date of death,” and “or of the nature of the incapacity” there is inserted—

“the date of the bankruptcy order,”.

6. In regulation 13(1) there is inserted after the word “invoice”—

“(unless, in the case of that supply, he is entitled to issue and issues a VAT invoice pursuant to section 18C(1)(e) of the Act and regulation 145D(1) below in relation to the supply by him of specified services performed on or in relation to goods while those goods are subject to a fiscal or other warehousing regime)”.

7.—(1) In regulation 14(1), between the words “and regulation 16” and “a registered person”, the comma is omitted and there is inserted—

“and save as the Commissioners may otherwise allow,”.

(2) In regulation 14(2) the comma immediately following the words “VAT invoice” is omitted and the following expression is inserted immediately after the word “particulars”—

“, save as the Commissioners may otherwise allow”.

8. In regulation 31(1) there is inserted between sub-paragraphs (d) and (e) the following sub-paragraph—

- “(da) all certificates—
- (i) prepared by him relating to acquisitions by him of goods from other member States, or
 - (ii) given to him relating to supplies by him of goods or services,
- provided that, owing to provisions in force which concern fiscal or other warehousing regimes, those acquisitions or supplies are either zero-rated or treated for the purposes of the Act as taking place outside the United Kingdom,”.

9. Regulation 40 is substituted with the following—

“40.—(1) Any person making a return shall in respect of the period to which the return relates account in that return for—

- (a) all his output tax,
- (b) all VAT for which he is accountable by virtue of Part XVI of these Regulations,
- (c) all VAT which he is required to pay as a result of the removal of goods from a fiscal warehousing regime, and
- (d) all VAT which he is required to pay as a result of a supply of specified services (performed on or in relation to goods at a time when they are subject to a warehousing regime) being zero-rated under section 18C(1) of the Act where—
 - (i) that warehousing regime is one where goods are stored without payment of any duty of excise,
 - (ii) those goods are subject to a duty of excise,
 - (iii) those goods have been the subject of an acquisition from another member State and the material time for that acquisition was while those goods were subject to that warehousing regime, and,

- (iv) there was no supply of those goods while they were subject to that warehousing regime.

The amounts to be entered on that return shall be determined in accordance with these Regulations.

(2) Any person required to make a return shall pay to the Controller such amount of VAT as is payable by him in respect of the period to which the return relates not later than the last day on which he is required to make that return.

(3) The requirements of paragraphs (1) or (2) above shall not apply where the Commissioners allow or direct otherwise.”.

10. In regulation 41, paragraphs (2) and (3) are omitted.

11. Regulation 43(2) is replaced with—

“(2) Where a person to whom this regulation applies is—

- (a) the person who is liable under section 18(4)(b) of the Act to pay VAT on a supply of goods while the goods are subject to a warehousing regime, or
- (b) liable under section 18D(2) of the Act to pay VAT on a supply of services to which section 18C(3) of the Act applies (specified services performed on or in relation to goods which are subject to a warehousing regime),

he may pay that VAT at or before the relevant time determined in accordance with paragraph (3) below instead of at the time provided for by sections 18(4)(b) or 18D(2)(a) of the Act.”.

12. There is inserted immediately after Part XVI a part to be known as “Part XVI(A)—Fiscal and other warehousing regimes”.

13. The Part XVI(A) referred to in regulation 12 above shall read as follows.

“PART XVI(A)

FISCAL AND OTHER WAREHOUSING REGIMES

Interpretation of Part XVI(A)

145A.—(1) In this Part unless the context otherwise requires—

“eligible goods” has the meaning given by section 18B(6);

“fiscal warehouse” includes all fiscal warehouses kept by the same fiscal warehousekeeper;

“material time” has the meaning given by section 18F(1) in the case of a fiscal warehousing regime and section 18(6) in the case of a warehousing regime;

“regulation” or “regulations” refers to the relevant regulation or regulations of these Regulations; and,

“section” or “sections” refers to the relevant section or sections of the Act.

(2) For the purposes of this Part, where a fiscal warehousekeeper keeps one or more fiscal warehouses there shall be associated with him a single fiscal warehousing regime; and “relevant fiscal warehousekeeper”, “relevant fiscal warehouse”, “relevant fiscal warehousing regime”, “his fiscal warehouse”, “his fiscal warehousing regime” and similar expressions shall be construed in this light.

Fiscal warehousing certificates

145B.—(1) The certificate referred to in section 18B(1)(d) (certificate relating to acquisitions in or intended for fiscal warehousing) and the certificate referred to in section 18B(2)(d) (supplies of goods intended for fiscal warehousing) shall contain the information indicated in the form numbered 17 in Schedule 1 to these Regulations.

(2) A certificate prepared under section 18B(1)(d) by an acquirer who is not a taxable person shall be kept by him for a period of six years commencing on the day the certificate is prepared; and he shall produce it to a proper officer when that officer requests him to do so.

Certificates connected with services in fiscal or other warehousing regimes

145C. The certificate referred to in section 18C(1)(c) (certificate required for the zero-rating of certain services performed on or in relation to goods while those goods are subject to a fiscal or other warehousing regime) shall contain the information indicated in the form numbered 18 in Schedule 1 to these Regulations.

VAT invoices relating to services performed in fiscal or other warehousing regimes

145D.—(1) This regulation applies to the invoice referred to in section 18C(1)(e) (invoice required for the zero-rating of the supply of certain services performed on or in relation to goods while those goods are subject to a fiscal or other warehousing regime).

(2) The invoice shall be known as a VAT invoice and shall state the following particulars (unless the Commissioners allow any requirement of this paragraph to be relaxed or dispensed with)—

- (a) an identifying number,
- (b) the material time of the supply of the services in question,
- (c) the date of the issue of the invoice,
- (d) the name, an address and the registration number of the supplier,
- (e) the name and an address of the person to whom the services are supplied,
- (f) a description sufficient to identify the nature of the services supplied,
- (g) the extent of the services and the amount payable, excluding VAT, expressed in sterling,
- (h) the rate of any cash discount offered,
 - (i) the rate of VAT as zero per cent, and
- (j) a declaration that in respect of the supply of services in question, the requirements of section 18C(1) will be or have been satisfied.

(3) The supplier of the services in question shall issue the invoice to the person to whom the supply is made within thirty days of the material time of that supply of services (or within such longer period as the Commissioners may allow in general or special directions).

Fiscal warehousing regimes

145E.—(1) Upon any eligible goods entering a fiscal warehouse the relevant fiscal warehousekeeper shall record their entry in his relevant fiscal warehousing record.

- (2) Eligible goods shall only be subject to or in a fiscal warehousing regime at any time—
- (a) while they are allocated to that regime in the relevant fiscal warehousing record;
 - (b) while they are not identified in that record as having been transferred; or,

- (c) prior to their removal from that regime.

The fiscal warehousing record and stock control

145F.—(1) In addition to the records referred to in regulation 31, a fiscal warehousekeeper shall maintain a fiscal warehousing record for any fiscal warehouse in respect of which he is the relevant fiscal warehousekeeper.

(2) The fiscal warehousing record may be maintained in any manner acceptable to the Commissioners. In particular, it shall be capable of—

- (a) ready use by any proper officer in the course of his duties; and
- (b) reproduction into a form suitable for any proper officer to readily use at a place other than the relevant fiscal warehouse.

(3) Subject to paragraph (4) below, the fiscal warehousing record shall have the features and shall comply with the requirements set out in Schedule 1A to these Regulations.

(4) In respect of any goods the relevant fiscal warehousing record shall not be required to record events more than six years following—

- (a) the transfer or removal of those goods from the relevant fiscal warehousing regime; or,
- (b) the exit of those goods from the relevant fiscal warehouse (in the case of goods which were not allocated to the relevant fiscal warehousing regime).

(5) A fiscal warehousekeeper, upon receiving a request to do so from any proper officer, shall—

- (a) produce his fiscal warehousing record to that officer and permit him to inspect or take copies of it or of any part of it (as that officer shall require); or,
- (b) facilitate and permit that officer to inspect any goods which are stored or deposited in his fiscal warehouse (whether or not those goods are allocated to the relevant fiscal warehousing regime).

Fiscal warehousing transfers in the United Kingdom

145G.—(1) Subject to paragraphs (2) and (3) below, a fiscal warehousekeeper (“the original fiscal warehousekeeper”) may permit eligible goods which are subject to his fiscal warehousing regime (“the original regime”) to be transferred to another fiscal warehousing regime (“the other regime”) without those goods being treated as removed from the original regime.

(2) The original fiscal warehousekeeper shall not allow eligible goods to exit from his fiscal warehouse in pursuance of this regulation before he receives a written undertaking from the fiscal warehousekeeper in relation to that other fiscal warehousing regime (“the other fiscal warehousekeeper”) that, in respect of those eligible goods, the other fiscal warehousekeeper will comply with the requirements of paragraph (3) below.

(3) The other fiscal warehousekeeper, upon the entry of the goods to his fiscal warehouse, shall—

- (a) record that entry in his fiscal warehousing record; and,
- (b) allocate those goods to his fiscal warehousing regime.

Furthermore, within 30 days commencing with the day on which those goods left the original fiscal warehouse, he shall—

- (c) deliver or cause to be delivered to the original fiscal warehousekeeper a certificate in a form acceptable to the Commissioners confirming that he has

recorded the entry of those goods to his fiscal warehouse and allocated them to his fiscal warehousing regime; and,

- (d) retain a copy of that certificate as part of his fiscal warehousing record.

Removal of goods from a fiscal warehousing regime and transfers overseas

145H.—(1) Without prejudice to sections 18F(5), 18F(6) and the following paragraphs of this regulation, eligible goods which are allocated to a fiscal warehousing regime shall only be removed from that regime at the time and in any of the following circumstances—

- (a) when an entry in respect of those eligible goods is made in the relevant fiscal warehousing record which indicates the time and date of their removal from that regime;
- (b) when the eligible goods are moved outside the fiscal warehouse in respect of which they are allocated to a fiscal warehousing regime (except in the case of movements between fiscal warehouses kept by the same fiscal warehousekeeper); or,
- (c) at the time immediately preceding a retail sale of those eligible goods.

The person who shall be treated as the person who removes or causes the removal of the relevant goods from the relevant fiscal warehousing regime in any of the circumstances described above shall be, as the case requires, either the person who causes any of those circumstances to occur or, in the case of sub-paragraph (c), the person who makes the retail sale referred to there.

(2) Subject to paragraph (3) below, eligible goods which are subject to a fiscal warehousing regime shall not be treated as removed from that regime but shall be treated as transferred or as being in the process of transfer, as the case requires, in any of the following circumstances—

- (a) where the goods in question are transferred or are in the process of transfer to another fiscal warehousing regime in pursuance of regulation 145G(1) above;
- (b) where the goods in question are transferred or are in the process of transfer to arrangements which correspond in effect, under the law of another member State, to section 18B(3) (fiscal warehousing) whether or not those arrangements also correspond in effect to section 18C(1) (zero-rating of certain specified services performed in a fiscal or other warehousing regime);
- (c) where the goods in question are exported or are in the process of being exported to a place outside the member States; or,
- (d) where the goods in question are moved temporarily to a place other than the relevant fiscal warehouse for repair, processing, treatment or other operations (subject to the prior agreement of and to conditions to be imposed by the Commissioners).

(3) Where any relevant document referred to in paragraph (4) below is not received by the relevant fiscal warehousekeeper within the time period indicated there (commencing on the day on which the relevant eligible goods leave his fiscal warehouse), he shall—

- (a) make an entry by way of adjustment to his fiscal warehousing record to show the relevant goods as having been removed from his fiscal warehousing regime at the time and on the day when they left;
- (b) identify in his fiscal warehousing record the person on whose instructions he allowed the goods to leave his fiscal warehouse as the person removing those goods and that person's address and registration number (if any); and,

- (c) notify the person on whose instructions he allowed the goods to leave his fiscal warehouse that the relevant document has not been received by him in time.
- (4) The document and time period referred to in paragraph (3) above is, as the case requires, either—
 - (a) the certificate referred to in regulation 145G(3)(c) confirming the completion of a transfer of eligible goods from the relevant fiscal warehousing regime to another fiscal warehousing regime (30 days);
 - (b) a document evidencing the completion of the transfer of the eligible goods from the relevant fiscal warehousing regime directly to arrangements which correspond, in another member State, to fiscal warehousing (60 days); or,
 - (c) a document evidencing the export of the eligible goods from the relevant fiscal warehousing regime to a place outside the member States (60 days).

145I.—(1) A fiscal warehousekeeper shall not remove or allow the removal of any eligible goods from his fiscal warehousing regime at any time before—

- (a) he has inspected and placed on his fiscal warehousing record a copy of the relevant document issued by the Commissioners under regulation 145J(1) (removal document); or,
- (b) he is provided with the registration number of a person registered under the Act and a written undertaking from that person that any VAT payable by that person as the result of any removal of eligible goods from that fiscal warehousing regime will be accounted for on that person's return in accordance with regulation 40(1)(c).

(2) Without prejudice to section 18E, where a fiscal warehousekeeper allows the removal of any eligible goods to take place from his fiscal warehousing regime otherwise than in accordance with this regulation, he shall be jointly and severally liable with the person who removes the goods for the payment of the VAT payable under section 18D(2) to the Commissioners.

(3) Paragraphs (1) and (2) above shall not apply to a removal which is the result of an entry in the relevant fiscal warehousing record made by the relevant fiscal warehousekeeper in compliance with regulation 145H(3)(a) (non-receipt of a document following transfer or export).

Payment on removal of goods from a fiscal warehousing regime

145J.—(1) The Commissioners may, in respect of a person who is seeking to remove or cause the removal of eligible goods from a fiscal warehousing regime,—

- (a) accept from or on behalf of that person payment of the VAT payable (if any) as a result of that removal, and
- (b) issue to that person a document bearing a reference or identification number.

(2) The Commissioners need not act in accordance with paragraph (1) above unless, as the case requires, they are satisfied as to—

- (a) the value and material time of any supply of the relevant goods in the fiscal warehousing regime which is treated as taking place in the United Kingdom under section 18B(4) and the status of the person who made that supply;
- (b) the nature and quantity of the relevant eligible goods;
- (c) the value of any relevant self-supplies of specified services treated as made under section 18C(3) in the course or furtherance of his business by the person who is to

remove the relevant goods, or by the person on whose behalf the goods are to be removed, at the time they are removed from the fiscal warehousing regime; and,

- (d) the nature and material time of any relevant supplies of specified services in respect of which the self-supplies referred to in sub-paragraph (c) above are treated as being identical (certain supplies of services on or in relation to goods while those goods are subject to the fiscal warehousing regime).

(3) In paragraph (2)(a) above “status” is a reference to whether the person in question—

- (a) is or is required to be registered under the Act, or
- (b) would be required to be registered under the Act were it not for paragraph 1(9) of Schedule 1 to the Act, paragraph 1(7) of Schedule 2 to the Act, paragraph 1(6) of Schedule 3 to the Act, or any of those provisions.”

14. In regulation 101—

- (a) the words “subject to paragraph (5) below” in paragraph (2)(a) are omitted;

and,

- (b) paragraph (5) is omitted.

15. The forms numbered 17 and 18 in Schedule 1 to these Regulations are added to Schedule 1 to the principal Regulations after Form No. 16 and in numerical sequence.

16. A Schedule 1A is inserted between Schedules 1 and 2 to the principal Regulations and takes effect and reads as indicated in Schedule 2 to these Regulations.

New King’s Beam House
9th May 1996

Martin Brown
Commissioner of Customs and Excise

SCHEDULE 1

Regulation 15

The forms which are to be added to Schedule 1 to the principal Regulations are as follows.

“Form No. 17

CERTIFICATE REQUIRED TO SECURE RELIEF FROM
VAT ON PURCHASED OR ACQUIRED GOODS INTENDED
TO BE PLACED IN A FISCAL WAREHOUSING REGIME

Information to be indicated:

I	(full name)
	(status in company)
of	(name and address of company)

declare that (name of company) intends to enter to the fiscal warehousing regime at the fiscal warehouse shown below on (date), or within... days commencing today, the goods indicated below:

- name and address of fiscal warehouse
- authorisation number of the fiscal warehousekeeper
- description of goods
- quantity of goods

I certify that the supply of goods/acquisition is eligible to be relieved from VAT under the following provisions of the Value Added Tax Act 1994 *[delete as appropriate]*:

sections 18B(2)(d)/18B(3) (purchases) *or* sections 18B(1)(d)/18B(3) (acquisitions).

(signature)

(date)

NOTE: You should be aware that there are severe penalties for making a false declaration. If there is any doubt about the eligibility of the goods or about the fiscal warehouse to which they are being sent you should consult the local Customs and Excise office before preparing the certificate. *A copy of the certificate should be filed with the supplier's invoice and a copy of the delivery note.*

Form No. 18

CERTIFICATE REQUIRED TO SECURE ZERO-RATING OF
SERVICES (OTHER THAN THE SUPPLY OF WAREHOUSING)
PERFORMED IN A FISCAL OR OTHER WAREHOUSE

Information to be indicated:

I	(full name)
	(status in company)

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of _____ (name and address of company)

declare that the goods shown below are subject to a fiscal or other warehousing regime at the place indicated below:

- description of goods
- quantity of goods
- warehouse stock number
- name and address of fiscal or other warehouse
- authorisation number of the relevant warehousekeeper/warehouse

and that the following services are to be performed on the goods in the fiscal or other warehouse:

I certify that the supply of services is eligible to be zero-rated for VAT purposes under section 18C(1) of the Value Added Tax Act 1994.

(signature)

(date)

NOTE: You should be aware that there are severe penalties for making a false declaration. If there is any doubt about a supply being entitled to zero-rating you should consult the local Customs and Excise office before signing and giving the certificate. *A copy of the certificate should be filed with the supplier's invoice which should refer to section 18C(1) of the Value Added Tax Act 1994 to be eligible for zero-rating.*

SCHEDULE 2

Regulation 16

The Schedule 1A referred to in regulation 16 reads as follows.

“SCHEDULE 1A

Regulation 145F

The fiscal warehousing record which is referred to in paragraph (3) of regulation 145F shall have the features and comply with the requirements set out below.

1. Goods in and out of a fiscal warehouse and its regime
 - (a) It shall accurately identify any eligible goods which enter or exit the fiscal warehouse, their nature and quantity, and the time and date when they so enter or exit.
 - (b) It shall accurately identify any goods which are not eligible goods and which enter or exit the fiscal warehouse for storage (other than goods which enter for purposes wholly incidental to such storage), their nature and quantity, and time and date when they so enter or exit.
 - (c) It shall accurately identify all eligible goods which are allocated to or removed from the fiscal warehousing regime associated with the relevant fiscal warehousekeeper, the time and date when the allocation or removal takes place, and the location of the eligible goods while they are allocated to the relevant regime.
 - (d) It shall accurately identify as “transferred goods” all eligible goods which are transferred directly from the fiscal warehousing regime to another fiscal warehousing regime, the time and date when the transfer starts, and the address of the fiscal warehouse to which the goods in question are transferred.
 - (e) It shall accurately identify as “transferred goods” all eligible goods which are transferred directly from the fiscal warehousing regime to corresponding arrangements in another

member State under regulation 145H(2)(b), the date and time when the transfer starts, and the address of the place in the other member State to which the goods in question are transferred.

- (f) It shall accurately identify as “transferred goods (by reason of export)” all eligible goods which are directly exported from the fiscal warehousing regime to a place outside the member States under regulation 145H(2)(c), the date and time when the movement of the goods which is directly associated with the export starts, and the address of the place outside the member States to which the goods in question are consigned.

2. Specified services performed in a fiscal warehouse

It shall accurately identify the nature of any services which are performed on or in relation to eligible goods while those goods are allocated to the relevant fiscal warehousing regime, the date when the services are performed, the particular eligible goods on or in relation to which they are performed, and the name, address and registration number (if any) of the supplier of those services.

3. Documents relating to transfers and specified services

- (a) It shall include the written undertaking from the other fiscal warehousekeeper relating to a transfer made within the United Kingdom referred to in regulation 145G(2), the certificate from the other fiscal warehousekeeper confirming a transfer made within the United Kingdom referred to in regulation 145G(3)(c), and it shall relate them to the relevant transfer.
- (b) It shall include the copy of the certificate relating to a transfer received by the relevant fiscal warehousekeeper from another fiscal warehousing regime within the United Kingdom referred to in regulation 145G(3)(d) and it shall relate that copy to the relevant allocation to his relevant fiscal warehousing regime.
- (c) It shall include the document relating to the completion of a transfer to corresponding arrangements in another member State referred to in regulation 145H(4)(b) and it shall relate that document to the relevant transfer.
- (d) It shall include the document relating to the completion of an export to a place outside the member States referred to in regulation 145H(4)(c) and it shall relate that document to the export in question.

4. Procedures where transfers are not completed

- (a) It shall be adjusted to show a removal (and not a transfer) where the certificate of transfer within the United Kingdom referred to in regulation 145G(3)(c) is not received in time from the other fiscal warehousekeeper.
- (b) It shall be adjusted to show a removal (and not a transfer) where the document referred to in articles 145H(4)(b) or 145H(4)(c) concerning goods which have been transferred to corresponding arrangements in another member State, or which have been exported to a place outside the member States, is not received in time.
- (c) It shall evidence any notification made under regulation 145H(3)(c) to the person on whose instructions the goods were allowed to leave the fiscal warehouse.

5. Removals from a fiscal warehousing regime

- (a) It shall identify the name and address of any person who at any time removes or causes the removal of any goods from the fiscal warehousing regime and that person’s registration number if he is registered under the Act.
- (b) It shall include a copy of the removal document issued by the Commissioners under regulation 145J(1) and shall relate it to the relevant removal.

6. Miscellaneous

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

- (a) It shall incorporate any modifications to the features or requirements set out in paragraphs 1 to 5 above which the Commissioners may require in respect of the relevant fiscal warehousekeeper.
- (b) A fiscal warehousekeeper may, with the prior agreement of the Commissioners, maintain a fiscal warehousing record in which any of the features or requirements set out in paragraphs 1 to 5 above are relaxed or dispensed with.”

EXPLANATORY NOTE

(This note is not part of the Regulations)

- (i) (i) Regulations 4, 6, 8, 9, 11, 12, 13, 15 and 16 amend the Value Added Tax Regulations 1995 (S.I.1995/2518) (the principal Regulations) with a view to assisting in the implementation of provisions of the directive of the Council of the European Communities dated 17th May 1977 No. 77/388/EEC (OJ No. L145, 13.6.77, p.1) (the Sixth VAT Directive) as amended by the directive of that Council dated 10th April 1995 No. 95/7/EC (OJ No. L102, 5.5.95, p.18). They set out the administrative procedures for the fiscal warehousing regime and contain consequential changes to the treatment of services performed on or in relation to goods subject to a fiscal or other warehousing regime.
 - (ii) Regulations 10 and 14 make changes to the principal Regulations in relation to groups of companies.
 - (iii) Regulation 5 makes an amendment to the provision of the principal Regulations dealing with death, bankruptcy or incapacity of a taxable person.
 - (iv) Regulation 7 makes amendments to the provisions of the principal Regulations dealing with the contents of VAT invoices.
- B.** Regulation 1 contains the commencement provisions.
- C.** Regulation 2 defines certain words to avoid repetition in the body of the instrument.
- D.** Regulation 3 introduces the amendments.
- E.** Regulation 4 amends regulation 2(1) (“Interpretation-general”) to include a definition of “fiscal or other warehousing regime”.
- F.** Regulation 5 amends regulation 9(2) of the principal Regulations. It now requires anyone who carries on the business after a taxable person has been made bankrupt to notify the Commissioners of the date on which the bankruptcy order was made. This should be done within 21 days of starting to carry on the business.
- G.** Regulation 6 amends regulation 13(1) (“Obligation to provide a VAT invoice”) to provide for persons entitled to issue a VAT invoice under section 18C(1)(e) (“Warehouses and fiscal warehouses: services”) of the Value Added Tax Act 1994 (“the Act”).
- H.** Regulation 7 amends regulations 14(1) and 14(2) of the principal Regulations. These amendments provide the Commissioners with a discretion to relax or dispense with the strict requirements as to the information to be shown on certain VAT invoices. (This discretion will only

be exercised ordinarily when the Commissioners are satisfied that there is no risk to the revenue and that genuine compliance difficulty is experienced.)

I. Regulation 8 amends regulation 31(1) (“Records”) to include certificates issued under provisions concerning fiscal or other warehousing regimes.

J. Regulation 9 replaces regulation 40 (“VAT to be accounted for on returns and payment of VAT”) with regulations 40(1), 40(2) and 40(3) thereby allowing VAT payable as a result of the removal of goods from a fiscal warehousing regime to be accounted for on the VAT return. It also aligns the position of certain VAT payable in respect of services performed on excise goods which have been acquired from another member State and placed in an excise warehouse with any payment of VAT required on the acquisition (i.e. both are included on the VAT return).

K. Regulations 10, 14(a) and 14(b), in accordance with regulation 1(1), come into force on 1st June 1996, except where a taxable person’s prescribed accounting period which includes 28th April 1996 (being the day before the day on which the Finance Act 1996 came into force) ends on or after 1 June 1996. In such cases regulations 10, 14(a) and 14(b) shall come into force on the day after the end of that first prescribed accounting period in accordance with regulation 1(2).

Regulation 10 deletes paragraphs (2) and (3) of regulation 41 of the principal Regulations. Paragraphs (2) and (3) of regulation 41 of the principal Regulations provide that any VAT chargeable on a supply of goods or services by one member of a group to another which is not disregarded under section 43(1)(a) of the Act, because the body making the supply and the body supplied were not members of that group at the time specified in subsection 43(1A) of the Act, shall be treated as chargeable in the first prescribed accounting period in which the body making the supply or the body supplied (or both) cease to be members of that group.

Subsection (5) of section 31 of the Finance Act 1996 provides that subsection 43(1A) of the Act shall not have effect in relation to supplies on or after 29 April 1996. As a consequence, paragraphs (2) and (3) of regulation 41 of the principal Regulations have no relevance for such supplies and regulation 10 removes what is a redundant provision, with effect from 1 June 1996.

For supplies made before 29 April 1996, regulation 10, in conjunction with regulation 1(2), provides that paragraphs (2) and (3) of regulation 41 of the principal Regulations shall continue to have effect in individual cases until the end of the prescribed accounting period in which VAT on the supply becomes chargeable.

Regulation 14(a) amends regulation 101(2)(a) of the principal Regulations and is a consequential amendment arising from the changes introduced by regulation 14(b).

Regulation 14(b) deletes paragraph (5) of regulation 101 of the principal Regulations which will not be required after those prescribed accounting periods in which 28th April 1996 falls. That paragraph provides for input tax on supplies that have not been disregarded under section 43(1)(a) of the Act to be attributed in the period in which the tax was treated as chargeable by regulation 41(2).

L. Regulation 11 replaces regulation 43(2) (“Goods removed from warehousing regime”) with a new regulation 43(2), allowing deferred payment of VAT due on a supply of services which was relieved from VAT while the relevant goods were in a warehousing regime.

M. Regulation 12 inserts a new Part XVI(A) to be known as “Fiscal and other warehousing regimes”.

N. Regulation 13 sets out the detail of Part XVI(A) which inserts new regulations 145A–145J into the principal Regulations.

Regulation 145A defines certain terms used in Part XVI(A).

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

Regulation 145B concerns the content of the certificates relating to acquisitions or purchases intended for fiscal warehousing and the retention period for an acquirer who is not a taxable person.

Regulation 145C concerns the content of the certificate required for zero-rating certain services performed on or in relation to goods subject to a fiscal or other warehousing regime.

Regulation 145D concerns the information to be shown on the invoice required for zero-rating the supply of certain services performed on or in relation to goods subject to a fiscal or other warehousing regime and sets out the time within which such invoices should be issued.

Regulation 145E requires a fiscal warehousekeeper to record the entry of eligible goods to his fiscal warehousing record and sets out the conditions under which eligible goods are in a fiscal warehousing regime.

Regulation 145F requires a fiscal warehousekeeper to maintain a fiscal warehousing record and sets out its minimum period of retention and the fiscal warehousekeeper's obligation to produce it, or goods, when requested.

Regulation 145G sets out the requirements for fiscal warehousekeepers when transferring goods from one fiscal warehousing regime to another within the United Kingdom.

Regulation 145H sets out when eligible goods are treated as removed from a fiscal warehousing regime, the person who is treated as removing them, the circumstances in which they are treated as transferred and not removed from the regime and the documents required to support such removals and transfers.

Regulation 145I sets out the fiscal warehousekeeper's responsibilities in respect of removals of goods from his fiscal warehousing regime and makes him jointly liable for any VAT which is payable where he has failed to meet those responsibilities.

Regulation 145J enables the Commissioners of Customs and Excise to issue to an unregistered person a document which may allow the removal of goods from a fiscal warehousing regime.

O. Regulation 15 amends Schedule 1 to the principal Regulations by showing the form of the certificates referred to in the new regulations 145B and 145C.

P. Regulation 16 introduces Schedule 1A into the principal Regulations. This sets out the features and requirements of the fiscal warehousing record referred to in the new regulation 145F.