

1999 No. 438

VALUE ADDED TAX

The Value Added Tax (Amendment) Regulations 1999

Made - - - - - *23rd February 1999*

Laid before the House of Commons *26th February 1999*

Coming into force *1st April 1999*

The Commissioners of Customs and Excise, in exercise of the powers conferred on them by sections 30(8) and 80A(1), (3), (4), (5), (6) and (7) of the Value Added Tax Act 1994 (a) and of all other powers enabling them in that behalf, hereby make the following Regulations:

1. These Regulations may be cited as the Value Added Tax (Amendment) Regulations 1999 and shall come into force on the 1st April 1999.
2. The Value Added Tax Regulations 1995 (b) shall be amended in accordance with the following regulations.
3. Regulations 37A to 37H of the Value Added Tax Regulations 1995 (reimbursement arrangements) shall be renumbered as regulations 43A to 43H respectively.
4. In regulation 43B (as renumbered in accordance with regulation 3 above) –
 - (a) for “regulation 37H” there shall be substituted “regulation 43H”;
 - (b) for “regulation 37C” in paragraph (a) there shall be substituted “regulation 43C”; and
 - (c) for “regulation 37G” in paragraph (b) there shall be substituted “regulation 43G”.
5. In regulation 43C (as renumbered in accordance with regulation 3 above) –
 - (a) for “regulation 37B(a)” there shall be substituted “regulation 43B(a)”;
 - (b) for “regulation 37E” in paragraph (f) there shall be substituted “regulation 43E”; and
 - (c) for “regulation 37F” in paragraph (f) there shall be substituted “regulation 43F”.
6. In regulation 43D (as renumbered in accordance with regulation 3 above) –
 - (a) for “regulation 37C(d) and (e)” there shall be substituted “regulation 43C(d) and (e)”;
and
 - (b) for “regulation 37C(a)” there shall be substituted “regulation 43C(a)”.
7. In paragraph (1) of regulation 43F (as renumbered in accordance with regulation 3 above), for “regulation 37E” there shall be substituted “regulation 43E”.
- 8.–(1) In paragraph (1) of regulation 43G (as renumbered in accordance with regulation 3 above)–

(a) 1994 c. 23; section 96(1) defines “the Commissioners” as meaning the Commissioners of Customs and Excise and “regulations” as meaning regulations made by the Commissioners under the Act; section 80A was inserted by section 46(2) of the Finance Act 1997 (c. 16).

(b) S.I. 1995/2518; relevant amending instruments are S.I. 1995/3147, 1996/210 and 1998/59.

- (a) for “regulation 37H(b)” there shall be substituted “regulation 43H(b)”; and
- (b) for “regulation 37B(b)” there shall be substituted “regulation 43B(b)”.

(2) In paragraph (2) of regulation 43G (as renumbered in accordance with regulation 3 above)–

- (a) for “regulation 37E” in subparagraph (e) there shall be substituted “regulation 43E”; and
- (b) for “regulation 37F” in subparagraph (f) there shall be substituted “regulation 43F”.

9. In regulation 43H (as renumbered in accordance with regulation 3 above)–

- (a) for “regulation 37C” in paragraph (a) there shall be substituted “regulation 43C”; and
- (b) for “regulation 37G” in paragraph (b) there shall be substituted “regulation 43G”.

10.–(1) Paragraph (3) of regulation 117 shall be omitted.

(2) After paragraph (7) of regulation 117 there shall be inserted–

“(7A) In regulations 130(a)(i) and 131 the words “overseas visitor” refer to a traveller who is not established within the member States.

(7B) For the purposes of paragraph (7A) above, a traveller is not established within the member States only if that traveller’s domicile or habitual residence is situated outside the member States.

(7C) Solely for the purposes of paragraph (7B) above, the traveller’s domicile or habitual residence is the place entered as such in a valid–

- (a) identity document,
- (b) identity card, or
- (c) passport.

(7D) A document referred to in sub-paragraph (a), (b) or (c) of paragraph (7C) above is valid for the purposes of that paragraph only if–

- (a) it is so recognised by the Commissioners; and
- (b) it is not misleading as to the traveller’s true place of domicile or habitual residence.”.

(3) In paragraph (8) of regulation 117–

- (a) for the words “this Part of these Regulations” there shall be substituted “regulation 132”; and
- (b) the words “the date of the supply mentioned in regulations 130 and 131 or” and the expression “for the purposes of regulation 132,” shall be omitted.

11. Regulation 127 (supplies to export houses) shall be omitted.

12. In regulation 130(a)(ii) the expression “who is not an overseas visitor,” shall be omitted.

New King’s Beam House,
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23rd February 1999

Martin Brown
Commissioner of Customs and Excise

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations, which come into force on 1st April 1999, further amend the Value Added Tax Regulations 1995 (S.I. 1995/2518) (the principal Regulations) by amending the numbering of the regulations in Part VA of the principal Regulations, revoking the export house provisions and amending the definition of “overseas visitor” for the purposes of the Retail Export Scheme.

Part VA was inserted into the principal Regulations by the Value Added Tax (Amendment) Regulations 1998 (S.I. 1998/59). The numbering ascribed to the regulations inserted by that Part should have been 43A to 43H respectively, instead of 37A to 37H.

The revocation of paragraph (3) of regulation 117 and regulation 127 means that businesses defined as “export houses” will no longer be able to receive goods, supplied in accordance with regulation 127, at the zero-rate. Export houses will, therefore, be treated in the same way as manufacturers and other businesses who take delivery of goods in the United Kingdom, prior to their subsequent export. The final supply of goods by exporters to their overseas customers will continue to be eligible for zero-rating.

Regulations 130(a)(i) and 131 of the principal Regulations enable a retailer, in certain circumstances, to zero-rate a supply of goods made to an overseas visitor to the member States (the Retail Export Scheme). These Regulations amend the relevant definition of “overseas visitor” in regulation 117 of the principal Regulations to reflect the requirements of Article 15(2) of Council Directive 77/388/EEC (O.J. L.145, 13.6.77, p.1), as amended by Article 1(3) of Council Directive 95/7/EC (O.J. L.102, 5.5.95, p.18). The necessary consequential amendments are also made.

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