
STATUTORY INSTRUMENTS

2007 No. 1418

The Value Added Tax (Amendment) (No.3) Regulations 2007

4. In Part 5 (accounting, payment and records)—

(a) in regulation 32(3)—

(i) after sub-paragraph (b), insert—

“(ba) a total of the tax which the taxable person is required to account for and pay on behalf of the supplier;”;

(ii) in sub-paragraph (c), for “or 38” substitute “,38 or 38A”.

(b) in regulation 38—

(i) after paragraph (1B) insert—

“(1C) Where an increase or decrease in consideration relates to a supply in respect of which it is for the recipient, on the supplier’s behalf, to account for and pay the tax, the prescribed accounting period referred to in paragraph (1) is that of the recipient, and not the maker, of the supply.

But this paragraph does not apply to the circumstances referred to in regulation 38A.”.

(ii) at the beginning of paragraph (3) insert “Subject to paragraph (3A) below;”;

(iii) after paragraph (3) insert—

“(3A) Where an increase or decrease in consideration relates to a supply on which the VAT has been accounted for and paid by the recipient of the supply, any entry required to be made under paragraph (3) shall be made in the recipient’s VAT account and not that of the supplier.”;

(c) after regulation 38 insert—

“Adjustments where a supply becomes, or ceases to be, a supply to which section 55A(6) of the Act applies (customers to account for tax on supplies of goods of a kind used in missing trader intra-community fraud)

38A.—(1) Where regulation 38 applies and—

(a) as a result of an increase in consideration for a supply it becomes one to which section 55A(6) of the Act applies; or

(b) as a result of a decrease in consideration for a supply it ceases to be one to which that section applies,

both the maker, and the recipient, of the supply shall make such entries in the VAT payable portion of their VAT accounts as are necessary to account for that fact.

(2) Paragraphs (5) and (6) of regulation 38 shall apply to any entry required by this regulation as they apply to any entry required by that regulation.

(3) None of the circumstances to which this regulation applies is to be regarded as giving rise to any application of regulations 34 and 35.”.

(d) in regulation 40(1), after sub-paragraph (a), insert—

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“(aa) all VAT which he is required to pay on behalf of the supplier.”.