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STATUTORY INSTRUMENTS

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**2011 No. 254**

**VALUE ADDED TAX**

**The Value Added Tax (Amendment) Regulations 2011**

<i>Made</i>	- - - -	<i>8th February 2011</i>
<i>Laid before the House of</i>		
<i>Commons</i>	- - - -	<i>9th February 2011</i>
<i>Coming into force</i>	- -	<i>2nd March 2011</i>

The Commissioners for Her Majesty's Revenue and Customs<sup>(1)</sup> make the following Regulations in exercise of the powers conferred by sections 25(1) and 26(1), (3) and (4) of the Value Added Tax Act 1994<sup>(2)</sup>.

**Citation, commencement and effect**

1.—(1) These Regulations may be cited as the Value Added Tax (Amendment) Regulations 2011 and come into force on 2nd March 2011.

(2) Regulations 3 to 5 have effect in relation to supplies treated as made under paragraph 37 of Schedule 10 to the Value Added Tax Act 1994<sup>(3)</sup> where the building that is supplied was completed on or after 1st March 2011.

**Amendment of the Value Added Tax Regulations 1995**

2. The Value Added Tax Regulations 1995<sup>(4)</sup> are amended as follows.

**Adjustments to the deduction of input tax on capital items**

3. In regulation 112(3) (interpretation of Part XV)—

(a) for “paragraph 37(3)” substitute “paragraph 37(1)”;

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- (1) The functions of the Commissioners of Customs and Excise were transferred to the Commissioners for Her Majesty's Revenue and Customs by section 5 of the Commissioners for Revenue and Customs Act 2005 (c. 11). Section 50(1) of that Act provides that a reference to the Commissioners of Customs and Excise shall be taken as a reference to the Commissioners for Her Majesty's Revenue and Customs.
- (2) 1994 c. 23; section 26(4) was amended by paragraph 2 of Schedule 8 to the Finance (No. 3) Act 2010 (c. 33) with effect from 16th December 2010 and 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.
- (3) Schedule 10 was substituted by S.I. 2008/1146, article 2 with effect in relation to supplies made on or after 1st June 2008 subject to the savings in Schedule 2 to that instrument; paragraph 37 of Schedule 10 was further amended by S.I. 2011/86, article 8 with effect in relation to buildings completed on or after 1st March 2011.
- (4) S.I. 1995/2518; relevant amending instruments are S.I. 1997/1086, 1997/1614, 1999/599, 1999/3114, 2000/258, 2008/1146, 2009/586 and 2010/3022.

- (b) for “paragraph 37(5)” substitute “paragraph 37(3)”;
- (c) for “3” substitute “36”.
- 4. In regulation 114(3B) (period of adjustment)—
  - (a) for “paragraph 37(5)” substitute “paragraph 37(3)”;
  - (b) at the end insert “divided by 12 and rounded up to the next whole number”.
- 5. In regulation 115(5) (method of adjustment), for “paragraph 37(3)” substitute “paragraph 37(1)”.

*Dave Hartnett*

*Mike Eland*

Two of the Commissioners for Her Majesty’s  
Revenue and Customs

8th February 2011

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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations, which come into force on 2nd March 2011, amend Part 15 (adjustments to the deduction of input tax on capital items) of the Value Added Tax Regulations 1995 ([S.I. 1995/2518](#)).

Regulations 3 to 5 amend regulations 112 (interpretation of Part XV), 114 (period of adjustment) and 115 (method of adjustment) to substitute revised references to paragraph 37 of Schedule 10 to the Value Added Tax Act 1994 (“paragraph 37”) following its amendment by the Value Added Tax (Buildings and Land) Order 2011 ([S.I. 2011/86](#)) and to adjust for the fact that the revised calculation in paragraph 37 is calculated by reference to months rather than years to ensure that these provisions continue to have their intended effect.

A full Impact Assessment has not been produced in relation to the changes made by this instrument as they have no impact on business, charities or voluntary bodies.