
STATUTORY INSTRUMENTS

2020 No. 1545

**The Value Added Tax (Miscellaneous Amendments,
Northern Ireland Protocol and Savings and
Transitional Provisions) (EU Exit) Regulations 2020**

Part 4

Savings and transitional Provisions

Interpretation of this Part

109.—(1) In this Part—

“the accounting procedures Regulations” means the Value Added Tax (Accounting Procedures for Import VAT for VAT Registered Persons and Amendment) (EU Exit) Regulations 2019(1);

“acquisition VAT” means VAT charged in accordance with VATA 1994 (as it had effect immediately before IP completion day) on the acquisition in the United Kingdom of goods from a member State;

“Commissioners” means the Commissioners for Her Majesty’s Revenue and Customs;

“import VAT” means VAT charged in accordance with section 1(1)(c) of VATA 1994;

“the Part 3 amendments” means the amendments made by Part 3 of TCTA 2018;

“the secondary legislation amendments” means the amendments made in relation to value added tax by any regulations made by the appropriate Minister under TCTA 2018, or by statutory instrument under any other enactment in consequence of, or otherwise in connection with, the United Kingdom’s withdrawal from the EU;

“TCTA 2018” means the Taxation (Cross-border Trade) Act 2018;

“VATA 1994” means the Value Added Tax Act 1994(2).

(2) For the purposes of this Part, any reference in the provisions of VATA 1994 and in subordinate legislation made under that Act (as they had effect immediately before IP completion day) to “another member State” is treated as if it were a reference to “a member State”.

Transitional provision in relation to acquisition VAT

110.—(1) Paragraph (2) applies where—

- (a) the time that an acquisition in the United Kingdom of goods from a member State is treated as taking place, as determined by section 12 of VATA 1994(3) (as it had effect immediately before IP completion day), falls on or after IP completion day; and
- (b) the goods enter the territory of the United Kingdom before IP completion day.

(1) S.I. 2019/60. These Regulations are not yet in force.

(2) 1994 c. 23; for relevant amendments see footnotes below.

(3) Section 12 of VATA was amended by section 26 of, and paragraph 3 of Schedule 3 to, the Finance Act 1996 (c. 8) and is omitted by section 43 of, and paragraph 11 of Schedule 8 to, TCTA. The omission is not yet in force.

(2) Where this paragraph applies, acquisition VAT is charged, and the person who is liable for the acquisition VAT must account for it, as if the Part 3 amendments⁽⁴⁾ and the secondary legislation amendments, insofar as they relate to acquisition VAT, had no effect.

111.—(1) Paragraph (2) applies where—

- (a) the time that an acquisition in the United Kingdom of goods from a member State is treated as taking place, as determined by section 12 of VATA 1994 (as it had effect immediately before IP completion day), falls before IP completion day; and
- (b) the goods so acquired enter the territory of the United Kingdom on or after IP completion day.

(2) Where this paragraph applies—

- (a) the person who is liable for the acquisition VAT must account for it as if the Part 3 amendments and the secondary legislation amendments, insofar as they relate to acquisition VAT, had no effect;
- (b) in cases where the person mentioned in sub-paragraph (a) is also liable for import VAT on the importation of the same goods, that person must—
 - (i) account for the import VAT in the manner prescribed by regulation 4 of the accounting procedures Regulations, as if that provision required (rather than permitted) the person to account for import VAT in that manner, provided that the conditions in regulation 5 of those Regulations are met, and
 - (ii) when accounting for the import VAT—
 - (aa) reduce its amount by the amount of the acquisition VAT for which that person is also liable in relation to the same goods, or
 - (bb) if the liability for acquisition VAT is greater than the corresponding liability for import VAT, reduce the amount accounted for in respect of import VAT to nil; and
- (c) the person liable for the import VAT, if otherwise entitled to credit for input tax in respect of that charge under section 25 of VATA 1994⁽⁵⁾, is not entitled to such credit for any sum greater than the net amount of import VAT accounted for under sub-paragraph (b).

112.—(1) Paragraph (2) applies where—

- (a) a supply of goods as is mentioned in section 14(2) of VATA 1994⁽⁶⁾ (as it had effect immediately before IP completion day) is treated as an acquisition of goods from a member State;
- (b) the time that such acquisition is treated as taking place, as determined by section 12 of VATA 1994 (as it had effect immediately before IP completion day), falls on or after IP completion day; and
- (c) the goods so supplied enter the territory of the United Kingdom before IP completion day.

(2) Where this paragraph applies, acquisition VAT is charged, and the person who is liable for the acquisition VAT must account for it, as if the Part 3 amendments and the secondary legislation amendments, insofar as they relate to acquisition VAT, had no effect.

113.—(1) Paragraph (2) applies where—

(4) Part 3 of TCTA (value added tax) is not yet fully in force.
 (5) Section 25 of VATA was amended by section 43 of, and paragraph 25 of Schedule 8 to, TCTA. The amendment is not yet in force.
 (6) Section 14 of VATA is omitted by section 43 of, and paragraph 11 of Schedule 8 to, TCTA. The omission is not yet in force.

- (a) a supply of goods as is mentioned in section 14(2) of VATA 1994 (as it had effect immediately before IP completion day) is treated as an acquisition of goods from a member State;
 - (b) the time that such acquisition is treated as taking place, as determined by section 12 of VATA 1994 (as it had effect immediately before IP completion day), falls before IP completion day; and
 - (c) the goods so supplied (or any part of them) enter the territory of the United Kingdom on or after IP completion day.
- (2) Where this paragraph applies—
- (a) the person who is liable for the acquisition VAT charged in relation to the transaction described in paragraph (1) must account for the full value of the supply, including that which relates to the installation or assembly (as the case may be) of the goods, as if the Part 3 amendments and the secondary legislation amendments, insofar as they relate to acquisition VAT, had no effect;
 - (b) in cases where the person mentioned in sub-paragraph (a) is also liable for import VAT on the importation of the same goods, that person must—
 - (i) account for the import VAT in the manner prescribed by regulation 4 of the accounting procedures Regulations, as if that provision required (rather than permitted) the person to account for import VAT in that manner, provided that the conditions in regulation 5 of those Regulations are met, and
 - (ii) when accounting for the import VAT—
 - (aa) reduce its amount by the amount of the acquisition VAT for which that person is also liable in relation to the same goods, or
 - (bb) if the liability for acquisition VAT is greater than the corresponding liability for import VAT, reduce the amount accounted for in respect of import VAT to nil; and
 - (c) the person liable for the import VAT, if otherwise entitled to credit for input tax in respect of that charge under section 25 of VATA 1994, is not entitled to such credit for any sum greater than the net amount of import VAT accounted for under sub-paragraph (b).

114.—(1) Regulations 110 to 113 do not apply in relation to transactions involving the removal of goods from a member State to the United Kingdom as a result of their entry into Northern Ireland (as to which see provision relating to VAT on acquisitions in Northern Ireland from member States in Schedule 9ZA to VATA 1994).

(2) Regulations 115 to 118 apply in relation to the transactions referred to in paragraph (1).

115. Where an acquisition in Northern Ireland of goods from a member State is treated as taking place on or after IP completion day in accordance with paragraph 4(1) of Schedule 9ZA to VATA 1994 and the time of acquisition is determined by reference to a first removal of the goods occurring before IP completion day, the fact that the first removal occurs at that time does not affect the charge to VAT that is imposed under paragraph 1 of that Schedule.

116. Where an acquisition in Northern Ireland of goods from a member State is treated as taking place before IP completion day in accordance with section 12 of VATA 1994 (as it had effect immediately before IP completion day), the charge to VAT is to be treated as NI acquisition VAT under Schedule 9ZA to VATA 1994 for all purposes relating to things that arise, occur or are done in consequence of or in relation to that charge on or after IP completion day.

117. Where—

- (a) goods are supplied in the circumstances described in paragraph 6(3) of Schedule 9ZA to VATA 1994,
- (b) the supply is treated as an acquisition of goods taking place on or after IP completion day in accordance with paragraph 4(1) of that Schedule,
- (c) and the goods are removed from a member State to Northern Ireland before IP completion day,

the fact that the removal occurs at that time does not affect the application of the provision in paragraph 6(3) of Schedule 9ZA and does not affect the charge to VAT that is imposed under paragraph 1 of that Schedule.

118.—(1) Paragraph (2) applies where—

- (a) goods are supplied in the circumstances described in paragraph 6(3) of Schedule 9ZA to VATA 1994;
- (b) the supply is treated as an acquisition of goods taking place before IP completion day in accordance with section 12 and section 14(2) of VATA 1994 (as those sections had effect immediately before IP completion day); and
- (c) the goods (or any part of them) are removed from a member State to Northern Ireland on or after IP completion day.

(2) Where this paragraph applies—

- (a) the supply of goods is to be treated as involving their removal from a member State to Northern Ireland in accordance with paragraph 6(3) of Schedule 9ZA to VATA 1994;
- (b) the fact that the removal of the goods (or part of them) takes place on or after IP completion day does not affect the application of that paragraph; and
- (c) the charge to VAT is to be treated as NI acquisition VAT under Schedule 9ZA to VATA 1994 for all purposes relating to things that arise, occur or are done in consequence of or in relation to that charge on or after IP completion day

Transitional provision in relation to the movement of goods between Great Britain and Northern Ireland

119.—(1) Paragraph (2) applies where—

- (a) there is a removal of goods from Great Britain to Northern Ireland in the course of a taxable supply made by a taxable person;
- (b) the time that a supply in relation to the goods is treated as taking place, as determined by section 6 of VATA 1994(7), falls before IP completion day;
- (c) the goods enter the territory of Northern Ireland on or after IP completion day;
- (d) a person is liable for VAT on the supply; and
- (e) the person who is liable for VAT on the supply is also liable for VAT charged on the entry of the goods into Northern Ireland by para 3(4) of Schedule 9ZB to VATA 1994.

(2) Where this paragraph applies—

- (a) the person liable for the VAT charged on the entry of the goods into Northern Ireland must, when accounting for that VAT—

(7) Section 6 of VATA was amended by section 26 of, and paragraph 1 of Schedule 3 to, the Finance Act 1996; section 22 of the Finance Act 1998 (c. 36); sections 24 and 141 of, and Schedule 40 to, the Finance Act 2002 (c. 23); section 76 of, and paragraph 2 of Schedule 36 to, the Finance Act 2009 (c. 10); and section 43 of, and paragraph 6 of Schedule 8 to, the TCTA. The latter amendment is not yet in force.

- (i) reduce its amount by the amount of the VAT for which that person is also liable in relation to the supply of the same goods by virtue of the supply (or some part of its amount) being treated as taking place before IP completion day, or
 - (ii) if the liability for the VAT on the supply is greater than the corresponding liability for VAT on the entry of the goods into Northern Ireland, reduce the amount accounted for in respect of the VAT charged on the entry of the goods into Northern Ireland to nil; and
- (b) any person who would otherwise be entitled to credit under section 25 of VATA 1994 for input tax in respect of the VAT charged on the entry of the goods into Northern Ireland, is not entitled to such credit for any sum greater than the net amount of that VAT accounted for under sub-paragraph (a).

120.—(1) Paragraph (2) applies where—

- (a) there is a removal of goods from Northern Ireland to Great Britain in the course of a taxable supply made by a taxable person;
- (b) the time that a supply in relation to the goods is treated as taking place, as determined by section 6 of VATA 1994, falls before IP completion day;
- (c) the goods enter the territory of Great Britain on or after IP completion day;
- (d) a person is liable for VAT on the supply; and
- (e) the person who is liable for VAT on the supply is also liable for VAT charged on the entry of the goods into Great Britain by para 3(2) of Schedule 9ZB to VATA 1994.

(2) Where this paragraph applies—

- (a) the person liable for the VAT charged on the entry of the goods into Great Britain must, when accounting for that VAT—
 - (i) reduce its amount by the amount of the VAT for which that person is also liable in relation to the supply of the same goods by virtue of the supply (or some part of its amount) being treated as taking place before IP completion day, or
 - (ii) if the liability for the VAT on the supply is greater than the corresponding liability for VAT on the entry of the goods into Great Britain, reduce the amount accounted for in respect of the VAT charged on the entry of the goods into Great Britain to nil; and
- (b) any person who would otherwise be entitled to credit under section 25 of VATA 1994 for input tax in respect of the VAT charged on the entry of the goods into Great Britain, is not entitled to such credit for any sum greater than the net amount of that VAT accounted for under sub-paragraph (a).

Transitional provision in relation to secondary legislation amended by these Regulations

121. The amendments made by regulation 11(2) to the Value Added Tax (Cars) Order 1992⁽⁸⁾ do not apply where—

- (a) a person (“P”) took possession of the used motor car in Great Britain or the Isle of Man before IP completion day and P would have been eligible to opt to account for the VAT chargeable on a supply of the motor car on the profit margin in accordance with article 8 had it been so supplied before IP completion day; and

⁽⁸⁾ S.I. 1992/3122; relevant amending instruments are S.I. 1995/1269, 1995/1667, 1997/1615, 1998/759, 1999/2832, 2001/3754, 2002/1502, 2006/874 and 2019/59. The amendments made by the last-named instrument are not yet in force and are partly omitted by this instrument.

- (b) the ownership of the used motor car remained with P from the time P took possession of it under paragraph (a) to the time of the supply of the motor car on which P elects to account for the VAT chargeable on that supply on the profit margin in accordance with article 8.

122.—(1) Paragraph (2) applies where—

- (a) there is a removal of gold as described in the Value Added Tax (Treatment of Transactions) (No.2) Order 1992~~(9)~~; and
- (b) acquisition VAT would (but for the provisions made in that Order) be charged on or after IP completion day in accordance with transitional provision made in these Regulations or other regulations made under TCTA 2018.

(2) Where this paragraph applies, the treatment of the acquisition of gold specified in that Order continues to apply as if the Order had not been amended by these Regulations.

123.—(1) Paragraph (2) applies where acquisition VAT is charged on or after IP completion day in accordance with transitional provision made in these Regulations or other regulations made under TCTA 2018.

(2) Where this paragraph applies, the provisions of the Value Added Tax (Input Tax) Order 1992~~(10)~~ concerning the disallowance of input tax in relation to goods acquired in the United Kingdom from a member State in accordance with provisions of VATA 1994 (as it had effect immediately before IP completion day), continue to apply as if the Order had not been amended by these Regulations.

124. The amendment made by regulation 30(5)(c) to the Value Added Tax (Special Provisions) Order 1995~~(11)~~ does not apply where—

- (a) a person (“P”) took possession of the goods in Great Britain or the Isle of Man before IP completion day and P would have been eligible to opt to account for the VAT chargeable on a supply of the goods on the profit margin in accordance with article 12 of the Order had they been so supplied before IP completion day; and
- (b) the ownership of the goods remained with P from the time P took possession of the goods under paragraph (a) to the time of the supply of the goods on which P elects to account for the VAT chargeable on that supply on the profit margin in accordance with article 12 of the Order.

125.—(1) Subject to paragraph (2), regulation 121D of the Value Added Tax Regulations 1995~~(12)~~ additionally applies to goods that are—

- (a) transported from the United Kingdom to a member State prior to IP completion day, and remain located in a member State as at IP completion day; or
- (b) exported from a member State prior to IP completion day and remain located outside the member States as at IP completion day.

(2) For the purposes of paragraph (1), the terms “unpaid” and “paid” in regulation 121D(5) of those Regulations also refer to—

- (a) an acquisition of goods in the United Kingdom before the re-importation;
- (b) an importation of the goods from outside the member States before the re-importation;

(9) [S.I. 1992/3132](#). Revoked by [S.I. 2019/59](#). The provision revoking [S.I. 1992/3132](#) has not been commenced and is now omitted by this instrument.

(10) [S.I. 1992/3222](#). amended by [S.I. 1995/281](#), [1995/1267](#), [1995/1666](#), [1998/2767](#), [1999/2930](#), [1999/3118](#), [2009/217](#), [2011/1071](#) and [2019/59](#). The amendment made by the last-named instrument is not yet in force.

(11) [S.I. 1995/1268](#); relevant amending instruments are [S.I. 1997/1616](#), [1998/760](#), [2001/3753](#), [2002/1503](#), [2006/2187](#) and [2019/59](#). The amendments made by the last-named instrument are not yet in force and are omitted by this instrument.

(12) [S.I. 1995/2518](#). A new regulation 121D is substituted by regulation 67 of this instrument.

(c) a supply or acquisition of the goods in a member State before the re-importation.

126. In the application of regulation 121D of the Value Added Tax Regulations 1995 to goods which are in the United Kingdom as at IP completion day, the terms “unpaid” and “paid” in paragraph (5) are to have the additional meanings given in regulation 125(2).

127. Regulation 121D of the Value Added Tax Regulations 1995 does not apply to goods supplied at any time to any person pursuant to regulation 131 of those Regulations**(13)**.

128.—(1) Paragraph (2) applies where acquisition VAT would, but for the provisions made in the Value Added Tax (Acquisitions) Relief Order 2002**(14)**, be charged on or after IP completion day in accordance with transitional provision made in these Regulations or other regulations made under TCTA 2018.

(2) Where this paragraph applies, the relief from acquisition VAT provided for in that Order continues to apply as if the Order had not been amended by these Regulations.

129.—(1) Paragraph (2) applies where—

- (a) the Community transport mentioned in Part 2 (goods supplied on board ships, aircraft and trains) of the Value Added Tax (Place of Supply of Goods) Order 2004**(15)** (as it had effect immediately before IP completion day) begins before IP completion day; and
- (b) the goods to which that Order applies are supplied on or after IP completion day.

(2) Where this paragraph applies, the provisions in that Order concerning the place where the supply of goods is treated as taking place, continue to apply as if that Part had not been amended by these Regulations.

Supplementary provision to be made by the Commissioners

130. Where, in this Part, a person is required to account for acquisition VAT, import VAT or VAT for which that person is liable by virtue of paragraph 4(3) of Schedule 9ZB to VATA 1994—

- (a) the Commissioners may make such supplementary provision in a notice published by them as they consider necessary for the accounting for that VAT (including specifying the box in a person’s VAT return in which entries are to be made); and
- (b) in relation to cases where VAT is required to be accounted for in the manner prescribed by regulation 4 of the accounting procedures Regulations subject to the conditions in regulation 5 of those Regulations being met, and those conditions are not met, the VAT for which that person is liable on the importation of the goods must be accounted for in accordance with provision set out in a notice published by the Commissioners.

131. The Commissioners may make such further supplementary provision in a notice published by them as they consider necessary in connection with the transitional provision made in this Part.

(13) Regulation 131 was amended by [S.I. 1995/3147](#), [2003/1485](#) and is omitted by [S.I. 2020/1412](#).

(14) [S.I. 2002/1935](#); revoked by [S.I. 2019/59](#). The provision revoking [S.I. 2002/1935](#) has not been commenced and is now omitted by this instrument.

(15) [S.I. 2004/3148](#); relevantly amended by [S.I. 2009/215](#) and [2019/1507](#).