

2023 No. 473

TAXES

**The Indirect Taxes (Notifiable Arrangements) (Amendment)
Regulations 2023**

<i>Made</i>	- - - -	<i>26th April 2023</i>
<i>Laid before the House of Commons</i>		<i>28th April 2023</i>
<i>Coming into force</i>	- -	<i>1st June 2023</i>

The Treasury make these Regulations in exercise of the powers conferred by paragraphs 3(1)(a) and 56(2) of Schedule 17 to the Finance (No. 2) Act 2017(a).

Citation and commencement

1. These Regulations may be cited as the Indirect Taxes (Notifiable Arrangements) (Amendment) Regulations 2023 and come into force on 1st June 2023.

Amendment of the Indirect Taxes (Notifiable Arrangements) Regulations 2017

2. The Indirect Taxes (Notifiable Arrangements) Regulations 2017(b) are amended as follows.

3. In regulation 5(5) (offshore supplies – insurance and finance)—

- (a) at the end of sub-paragraph (b), omit “or”;
- (b) at the end of sub-paragraph (c), for “suppliers.” substitute “suppliers; or”; and
- (c) after that sub-paragraph insert—

“(d) would otherwise fall to be disregarded by virtue of section 43(1)(a) of the Value Added Tax Act 1994(c).”.

4. In regulation 6(6) (offshore supplies – relevant business persons)—

- (a) at the end of sub-paragraph (b), omit “or”;
- (b) at the end of sub-paragraph (c), for “suppliers.” substitute “suppliers; or”; and
- (c) after that sub-paragraph insert—

“(d) would otherwise fall to be disregarded by virtue of section 43(1)(a) of the Value Added Tax Act 1994.”.

(a) 2017 c. 32. Schedule 17 was amended by paragraph 131 of Schedule 8 to the Taxation (Cross-border Trade) Act 2018 (c. 22) and paragraph 7 of Schedule 15 and paragraphs 19 to 41 of Schedule 31 to the Finance Act 2021 (c. 26).
(b) S.I. 2017/1216. Regulations 5 and 6 were amended by S.I. 2019/59.
(c) 1994 c. 23. Section 43(1) was amended by section 25(2) of the Finance Act 1995 (c. 4), section 20(3) of the Finance Act 2004 (c. 12), paragraph 46(2) of Schedule 8 to the Taxation (Cross-border Trade) Act 2018 and paragraph 5(2) of Schedule 18 to the Finance Act 2019 (c. 1).

Transitional provision

5.—(1) The amendments made by these Regulations do not apply in any case where, in relation to arrangements which fall within the description prescribed by regulations 5 or 6 of the Indirect Taxes (Notifiable Arrangements) Regulations 2017, the material date (as defined in regulation 2 of those Regulations) is before the date on which these Regulations come into force.

(2) For the purposes of paragraph 21A of Schedule 17(a) to the Finance (No. 2) Act 2017 (“the Schedule”), the amendments made by these Regulations do not apply in relation to transactions entered into, firm approaches made, and proposals that are made available for implementation, before the date on which these Regulations come into force.

(3) For the purposes of paragraph 23A of the Schedule(b), the amendments made by these Regulations do not apply in relation to cases where the person referred to in that provision is providing or has provided services to the client in connection with the arrangements or proposed arrangements and began to do so before the date on which these Regulations come into force.

(4) For the purposes of paragraph 36(1)(c) of the Schedule(c), the amendments made by these Regulations do not apply in relation to cases where the person referred to in that provision is or has been involved in the supply of the arrangements or proposed arrangements and began to be so involved before the date on which these Regulations come into force.

*Scott Mann
Steve Double*

26th April 2023

Two of the Lords Commissioners of His Majesty’s Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the description of certain tax avoidance arrangements in the Indirect Taxes (Notifiable Arrangements) Regulations 2017 (“the 2017 Regulations”).

The Finance (No. 2) Act 2017 (“the Act”) makes provision for the disclosure of tax avoidance schemes for VAT and other indirect taxes. The Act requires specified persons to disclose information to HMRC in relation to arrangements or proposed arrangements that enable, or might be expected to enable, a person to obtain a tax advantage. Under the Act, the duty of such persons to disclose information arises where the arrangements in relation to which they are involved fall within any description prescribed by the Treasury by regulations.

The Treasury made provision describing the arrangements notifiable under the Act in the 2017 Regulations and, in regulations 5 and 6, described VAT avoidance arrangements relating to offshore supplies.

The description of those arrangements makes reference to supplies of services made from one person to another. Under section 43(1)(a) of the Value Added Tax Act 1994 (“VATA”), supplies made by a member of a VAT group to another member of the group are disregarded for VAT purposes. The amendments made by regulations 3 and 4 of these Regulations establish that, where reference is made to supplies in regulations 5 and 6 of the 2017 Regulations, the term includes supplies that would otherwise fall to be disregarded by virtue of section 43(1)(a) of VATA.

Transitional provision is made in regulation 5(1) of these Regulations to ensure that the amendments do not apply in relation to cases where the duty to notify the tax avoidance arrangements described in regulations 5 or 6 of the 2017 Regulations arises before the day on which these Regulations come into force.

(a) Paragraph 21A was inserted by paragraph 22 of Schedule 31 to the Finance Act 2021.

(b) Paragraph 23A was inserted by paragraph 26 of Schedule 31 to the Finance Act 2021.

(c) Paragraph 36(1) was substituted by paragraph 37(2) of Schedule 31 to the Finance Act 2021.

Further transitional provision is made in the remaining paragraphs of regulation 5 to ensure that the amendments do not apply in relation to certain events (for which provision is made in Schedule 17 to the Act) if those events occur before the day on which these Regulations come into force.

A Tax Information and Impact Note has not been prepared for this instrument as it contains no substantive changes to tax policy.

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