STATUTORY INSTRUMENTS

1975 No. 1275

VALUE ADDED TAX

The Value Added Tax (General) (Amendment) (No. 2) Regulations 1975

Made - - - - - - -	1*st August* 1975
Laid before the House of Commons	1*st August* 1975
Coming into Operation:	
Regulations 1, 2, 4, 5 *and* 6 -	1*st August* 1975
Regulation 3 - - - - -	1st *September* 1975

The Commissioners of Customs and Excise, in exercise of the powers conferred on them by sections 7(8) and 16(2) of the Finance Act 1972(**a**) and section 18(2) of the Finance (No. 2) Act 1975(**b**) and of all other powers enabling them in that behalf, hereby make the following Regulations:—

1.—(1) These Regulations may be cited as the Value Added Tax (General) (Amendment) (No. 2) Regulations 1975.

(2) They shall come into operation as to Regulations 1, 2, 4, 5 and 6 on 1st August 1975 and as to Regulation 3 on 1st September 1975.

2.—(1) In these Regulations "the Principal Regulations" means the Value Added Tax (General) Regulations 1974(**c**) as amended(**d**).

(2) The Interpretation Act 1889(**e**) shall apply for the interpretation of these Regulations as it applies for the interpretation of an Act of Parliament.

3. After Regulation 19 of the Principal Regulations there shall be added the following new Regulation—

"19A. Where the whole amount of the consideration for a supply of services was not ascertainable at the time when the services were performed and subsequently the use of the benefit of those services by a person other than the supplier gives rise to any payment of consideration to the supplier which is—

(*a*) in whole or in part determined or payable periodically or at the end of any period,

(*b*) additional to the amount, if any, already payable for the supply, and

(*c*) not a payment to which Regulations 18 or 19 of these Regulations apply,

a further supply shall be treated as taking place each time when a payment in respect of the use of the benefit of those services is received or a tax invoice is issued by the supplier, whichever is the earlier.".

(**a**) 1972 c. 41. (**b**) 1975 c. 45. (**c**) S.I. 1974/1379 (1974 II, p. 5287).
(**d**) The only relevant amending instrument is S.I. 1975/616. (**e**) 1889 c. 63.
(1975 I, p. 2214).

4. Regulation 41 of the Principal Regulations shall be amended as follows—

(*a*) the heading shall be deleted and there shall be substituted therefor "*Reimportation of goods exported for treatment or process*";

(*b*) the words "41. Goods" at the commencement shall be deleted and there shall be substituted therefor "41.—(1) Subject to paragraph (2) of this Regulation, goods";

(*c*) the words "process or repair" in both the 3rd and 6th lines shall be deleted and there shall be substituted therefor in each case "treatment or process"; and

(*d*) two new paragraphs shall be added as follows—

"(2) Paragraph (1) of this Regulation shall have no application to goods to which subsection (1) of section 18 of the Finance (No. 2) Act 1975 would apply if the treatment or process abroad were undergone in the United Kingdom and value added tax were chargeable on their supply.

(3) For the purpose of this Regulation the reference to section 18 of the Finance (No. 2) Act 1975 shall be read as a reference to that section as it applies having regard to the provisions of any Treasury Order which may be made under subsection (4) of the said section.".

5. After Part VIII of the Principal Regulations there shall be added—

"PART IX

MISCELLANEOUS

59. Any person who, in pursuance of section 18(2) of the Finance (No. 2) Act 1975, certifies that a supply is for the purpose of a business carried on or to be carried on by him shall do so in the appropriate form (A, B or C as the case may be) as set out in Schedule 3 hereto.".

6. After Schedule 2 to the Principal Regulations there shall be added—

"SCHEDULE 3 Regulation 59

CERTIFICATES OF BUSINESS SUPPLIES

A. *Individual certificate*

To be kept with the relevant copy tax invoice

Section 18, *Finance* (*No.* 2) *Act* 1975

I.....(name and address of customer) am registered for VAT under No.....and certify that all the work to be performed by you..... .....(name and address of supplier) in accordance with Order No.....dated.....is solely for the purpose of the business carried on or to be carried on by me.

..... (Signatory)

..... (Status)

..... (Date)

B. *Individual certificate*

To be used printed or stamped on an order

Section 18, *Finance* (*No.* 2) *Act* 1975

I.....(name and address of customer) am registered for VAT under No.....and certify that all the work to be performed in accordance with this order is solely for the purpose of a business carried on or to be carried on by me.

..... (Signatory)

..... (Status)

C. *General annual certificate*

To be used by a trader who has a regular trading relationship with a taxable supplier

Section 18, *Finance* (*No.* 2) *Act* 1975

I.....(name and address of customer) am registered for VAT under No..... and certify that, unless I notify you in writing to the contrary, all the work to be performed by you.....(name and address of supplier), registered for VAT under No....., to my order within twelve months of the date of this certificate is solely for the purpose of a business carried on by me.

..... (Signatory)

..... (Status)

..... (Date)".

Dorothy Johnstone,
Commissioner of Customs and Excise.

1st August 1975.

King's Beam House,
Mark Lane,
London EC3R 7HE.

EXPLANATORY NOTE

(This Note is not part of the Regulations.)

These Regulations amend the Value Added Tax (General) Regulations 1974.

Regulation 3 defines the treatment, for time of supply purposes, of royalties and similar payments.

Regulation 4 provides that on the reimportation of certain exported goods which have been treated or processed abroad tax is to be charged on the full value of the goods. The provision countervails the corresponding provisions in section 18 of the Finance (No. 2) Act 1975 relating to goods treated or processed in the United Kingdom.

Regulations 5 and 6 prescribe the forms of certificate which may be given by a registered person sending zero-rated or standard-rated material for treatment or process, in order that tax shall not become chargeable under section 18 of the Finance (No. 2) Act 1975 on the full value of the resulting goods.

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