STATUTORY INSTRUMENTS

1981 No. 1530

VALUE ADDED TAX

The Value Added Tax (General) (Amendment) (No. 2) Regulations 1981

Made - - - - - -	27*th October* 1981
Laid before the House of Commons	4*th November* 1981
Coming into Operation:	
Regulations 1, 2, 3, 6 *and* 12	1*st December* 1981
Regulations 4, 5, 7, 8, 9, 10 *and* 11	1*st April* 1982

The Commissioners of Customs and Excise, in exercise of the powers conferred on them by sections 3(8) and 12(7) of the Finance Act 1972(**a**) and of all other powers enabling them in that behalf, hereby make the following Regulations:—

1. These Regulations may be cited as the Value Added Tax (General) (Amendment) (No. 2) Regulations 1981 and shall come into operation on the following dates:

Regulations 1, 2, 3, 6 and 12	1st December 1981
Regulations 4, 5, 7, 8, 9, 10 and 11	1st April 1982

2. The Value Added Tax (General) Regulations 1980(**b**) shall be amended in accordance with the following provisions of these Regulations.

3. In regulation 29 for paragraphs (1) and (2) there shall be substituted the following—

"(1) Subject to paragraphs (2) and (3) of this regulation, if any person, within six months, or such other period as the Commissioners may allow, from the date with effect from which he was, or was required to be, registered, makes a claim on the form numbered 4 in Schedule 1 to these Regulations, or in such other manner as the Commissioners may approve, they may authorise him to treat as if it were input tax—

(a) tax chargeable under Part 1 of the Act or value added tax chargeable under Part 1 of the Manx Act on the supply of goods to him before that date, or paid by him on imported goods before that date, for the purpose of a business which either was carried on or was to be carried on by him at the time of such supply or payment;

(b) in the case of a body corporate, tax under either of those Parts on the supply or importation of goods acquired for it before its incorporation, or on the supply of services before that time for its benefit or in connection with its incorporation, provided that the person to whom the supply was made or who paid tax on the importation—

(**a**) 1972 c. 41; section 3(8) was inserted by the Finance Act 1977(c. 36) and amended by S.I.1980/183 and section 13 of the Finance Act 1981(c. 35).

(**b**) S.I. 1980/1536; the relevant amending instrument is S.I. 1980/1952.

(i) became a member, officer or employee of the body and was reimbursed, or has received an undertaking to be reimbursed, by the body for the whole amount of the price paid for the goods or services,

(ii) was not, at the time of the supply or importation a taxable person, and

(iii) acquired the goods or services for the purpose of a business to be carried on by the body and has not used them for any purpose other than such business.

(2) No tax may be treated as input tax under paragraph (1) of this regulation—

(a) in respect of goods which had been supplied by the person making the claim before the date with effect from which he was, or was required to be, registered; or

(b) in the case of a claim under paragraph (1)(b) of this regulation—

(i) in respect of goods or services which the person who had acquired them for the body had supplied before the date of the body's incorporation, or

(ii) in respect of services which had been supplied more than six months before the date of the body's registration; or

(c) otherwise than is prescribed in this Part of these Regulations.".

4. For regulation 30(6) there shall be substituted the following—

"In regulation 44 "goods" does not include a motor car, motor cycle, motor scooter or motor caravan which has been registered under the Vehicle (Excise) Act 1971(**a**) or any corresponding enactment for the time being in force of the Parliament of Northern Ireland or of Tynwald respectively and in regulations 45, 46, 47 and 48 "goods" does not include—

(a) a motor vehicle; or

(b) a boat intended to be exported under its own power;

and for the purposes of regulations 46 and 48 "goods" means any article or group of articles normally supplied as a set.".

5. In regulation 30(8) for the words "In regulation 40" there shall be substituted the words "In regulations 30(6) and 40".

6. For regulation 31(d) there shall be substituted the following—

"(d) the Tobacco Products Duty Act 1979(**b**)—section 2(2) (drawback on tobacco),".

7. In regulation 44 the existing provisions shall become paragraph (1) and after those provisions there shall be inserted the following—

"(2) This regulation shall not apply to any person who is a member of the crew of any ship or aircraft departing from the United Kingdom or the Isle of Man.".

(**a**) 1971 c. 10. (**b**) 1979 c. 7.

8. In regulation 45—

(a) for paragraph (a)(i) there shall be substituted the following—

"(i) a member, being an overseas visitor other than a Community traveller, of the crew of any ship or aircraft departing from the United Kingdom or the Isle of Man, or";

(b) in paragraph (a)(ii) the words "a Community traveller or" shall be omitted.

9. For regulation 46(a)(i) there shall be substituted the following—

"(i) a member, being a Community traveller, of the crew of any ship or aircraft departing from the United Kingdom or the Isle of Man, or".

10. Regulation 47(1)(b) shall be omitted.

11. Regulation 48(1)(c) shall be omitted.

12. In regulation 51(4)(c) for "11(b)" there shall be substituted "11(1)(b)".

B. H. Knox,
Commissioner of Customs and Excise.

27th October 1981.
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EXPLANATORY NOTE

(*This Note is not part of the Regulations.*)

Regulation 3, which is to come into operation on 1st December 1981, is made under powers introduced in the Finance Act 1981. It amends regulation 29 of the Value Added Tax (General) Regulations 1980 to extend the relief from VAT to goods and services acquired for corporate bodies prior to their incorporation.

Regulations 4, 5, 7, 8, 9, 10 and 11, which are to come into operation on 1st April 1982, amend certain regulations of the Value Added Tax (General) Regulations 1980 dealing with exports.

Regulations 4 and 5 amend regulations 30(6) and 30(8) to exclude registered motor cars, motor cycles, motor scooters and motor caravans from regulation 44 and to exclude boats intended to be exported under their own power from regulations 45 to 48. Separate export facilities already exist for these particular craft (under regulation 44) and for new motor vehicles (under regulations 49 and 50).

Regulation 7 amends regulation 44 to exclude therefrom crew members of ships and aircraft. Special arrangements for these persons are made in amended regulations 45 and 46.

Regulations 8 to 11 amend regulations 45 to 48 to enable the present two retail export schemes to be merged and simplified.

In regulations 6 and 12 the opportunity has been taken to correct minor errors in regulations 31 and 51 of the 1980 Regulations and these amendments will take effect on 1st December 1981.

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