STATUTORY INSTRUMENTS

1982 No. 1471

VALUE ADDED TAX

The Value Added Tax (General) (Amendment) (No. 2) Regulations 1982

Made - - - -	18*th October* 1982
Laid before the House of Commons	26*th October* 1982
Coming into Operation	1*st December* 1982

The Commissioners of Customs and Excise, in exercise of the powers conferred on them by section 3(8) 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 1982 and shall come into operation on 1st December 1982.

2. For regulation 29 of the Value Added Tax (General) Regulations 1980(**b**) there shall be substituted the following—

"**29.**—(1) Subject to paragraphs (2) and (4) of this regulation, on a claim made in accordance with paragraph (3) of this regulation, the Commissioners may authorise a taxable person to treat as if it were input tax—

(*a*) tax on the supply of goods or services to the taxable person before the date with effect from which he was, or was required to be, registered, 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; and

(*b*) in the case of a body corporate, tax 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—

(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,

(**a**) 1972 c. 41; section 3(8) was inserted by the Finance Act 1977 (c. 36) and amended by section 13 of the Finance Act 1981 (c. 35) and section 14(2) of the Finance Act 1982 (c. 39).
(**b**) S.I. 1980/1536; relevant amending instrument is S.I. 1981/1530.

(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 or services which had been supplied, or, in respect of goods, save as the Commissioners may otherwise allow, consumed—

(i) by the taxable person, or

(ii) in the case of paragraph (1)(*b*) of this regulation, by the person who acquired the goods or services,

before the date with effect from which the taxable person was, or was required to be, registered; or

(*b*) in respect of services performed upon goods to which sub-paragraph (*a*) above applies; or

(*c*) in respect of services which had been supplied—

(i) to the taxable person, or

(ii) in the case of paragraph (1)(*b*) of this regulation, to the person who acquired the services,

more than six months before the date of the taxable person's registration; or

(*d*) otherwise than is prescribed in this Part of these Regulations.

(3) A claim under paragraph (1) of this regulation shall, save as the Commissioners may otherwise allow, be made on the first return the taxable person furnishes pursuant to regulation 51(1) and, as the Commissioners may require, be supported by invoices and other evidence.

(4) A taxable person making a claim under paragraph (1) of this regulation shall compile and preserve for such period as the Commissioners may require—

(*a*) in respect of goods, a stock account showing separately quantities purchased, quantities used in the making of other goods, date of purchase and date and manner of subsequent disposals of both such quantities; and

(*b*) in respect of services, a list showing their description, date of purchase and date of disposal, if any.

(5) If a person who has been, but is no longer, a taxable person makes a claim in such manner and supported by such evidence as the Commissioners may require, they may pay to him the amount of any tax on the supply of services to him after the date with effect from which he ceased to be or to be required to be registered and which was for the purpose of any business carried on by him when he was or was required to be registered.".

3. The form numbered 4 in Schedule 1 to the Value Added Tax (General) Regulations 1980 shall be omitted.

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

18th October 1982.
King's Beam House,
Mark Lane,
London,
EC3R 7HE.

EXPLANATORY NOTE

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

These Regulations, which are to come into operation on 1st December 1982, consolidate, with certain amendments, regulation 29 of the Value Added Tax (General) Regulations 1980 and regulation 3 of the Value Added Tax (General) (Amendment) (No. 2) Regulations 1981.

Regulation 29(1), pursuant to powers introduced in the Finance Act 1982, now enables a taxable person to claim relief from value added tax on services supplied to him before registration.

Regulation 29(3) provides for the claim to be made on the taxable person's first VAT return.

Regulation 29(5) now enables not only deregistered persons to claim relief from value added tax on services supplied to them after deregistration but also enables persons who were registrable although never registered to claim similar relief.

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