STATUTORY INSTRUMENTS

1983 No. 295

VALUE ADDED TAX

The Value Added Tax (General) (Amendment) Regulations 1983

Made - - - -	3*rd March* 1983
Laid before the House of Commons	11*th March* 1983
Coming into Operation in accordance with regulation 1 below	

The Commissioners of Customs and Excise, in exercise of the powers conferred on them by section 4 of the Finance Act 1972(**a**) and 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) Regulations 1983 and shall come into operation on 1st April 1983.

(2) Notwithstanding paragraph (1) above, where the next tax year of a taxable person commences on a day after 1st April 1983 the amendments made by regulations 4, 5(*b*) and 5(*c*) below shall not have effect in relation to him until the first day of that tax year.

(3) In these Regulations "tax year" has the meaning given by regulation 23(1)(*b*) of the Value Added Tax (General) Regulations 1980(**b**).

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

3. In regulation 25—

(*a*) for sub-paragraph (*d*) there shall be substituted the following—

"(*d*) any sum receivable by him as consideration for an exempt supply comprised in item 4 of Group 5 of Schedule 5 to the Act and any sum receivable by him as consideration for a zero-rated supply which is of services of a description specified in that item and is comprised in item 6 of Group 9 of Schedule 4 to the Act except, in the case of either such sum, where the person using the method is a person whose business is wholly or mainly the negotiation, or undertaking of, or the making of arrangements for, transactions such as are mentioned in the said item 4;";

(**a**) 1972 c. 41, as amended by the Finance Act 1977 (c. 36).
(**b**) S.I. 1980/1536.

(*b*) in sub-paragraph (*f*) for the words from the beginning to "except where" there shall be substituted the words "any sum receivable by him as consideration for an exempt supply comprised in item 2 of Group 5 of Schedule 5 to the Act and any sum receivable by him as consideration for a zero-rated supply which is of services of a description specified in that item and is comprised in item 6 of Group 9 of Schedule 4 to the Act except, in the case of either such sum, where".

4. Regulation 26(2) is hereby revoked but shall continue to apply in relation to elections duly made under that paragraph for as long as such elections, in accordance with the provisions of that paragraph, may not be revoked.

5. In regulation 27—

(*a*) in paragraph (1) for the word "can" there shall be substituted the words "is to";

(*b*) for paragraph (2) there shall be substituted the following—

"(2) Where, in any prescribed accounting period or in any longer period, the value of a taxable person's exempt supplies amounts to less than any of the following:—

(*a*) £200 per month on average; or

(*b*) £8,000 per month on average and 50 per cent of the value of all his supplies; or

(*c*) £16,000 per month on average and 25 per cent of the value of all his supplies; or

(*d*) £32,000 per month on average and 5 per cent of the value of all his supplies,

all his supplies in that period shall be treated as taxable supplies; and, for the purpose of a longer period, "exempt supplies" includes any exempt supplies which may have been treated as taxable supplies in any prescribed accounting period.";

(*c*) in paragraph (3) after the words "his input tax" there shall be inserted the words "and does not exceed £200 per month on average";

(*d*) in paragraph (4)(*a*) for the word "can" there shall be substituted the words "is to" and the word "exempt" shall be omitted.

King's Beam House,
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3rd March 1983.

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

EXPLANATORY NOTE

(This Note is not part of the Regulations.)

These Regulations amend various provisions of the Value Added Tax (General) Regulations 1980. Regulations 3, 5(*a*) and 5(*d*) come into effect on 1 April 1983. Regulations 4, 5(*b*) and 5(*c*) come into effect on the first day of a taxable person's tax year beginning on or after 1 April 1983.

Regulation 3 amends paragraphs (*d*) and (*f*) of Regulation 25 of the 1980 Regulations and these paragraphs now cover sums received in respect of zero-rated as well as exempt supplies of the descriptions specified.

Regulation 4 revokes Regulation 26(2) of the 1980 Regulations under which a taxable person could elect to disregard small over or under deductions of input tax disclosed by annual adjustments.

Regulation 5 amends Regulations 27(1) and (4) of the 1980 Regulations to reflect the mandatory nature of Regulation 25 of the 1980 Regulations.

Regulation 5(*b*) raises the existing monetary limits in Regulation 27(2) of the 1980 Regulations and Regulations 5(*b*) and 5(*c*) introduce new monetary limits in Regulations 27(2) and 27(3) of the 1980 Regulations.

Regulation 5(*d*) amends Regulation 27(4) of the 1980 Regulations; input tax attributable to any supplies of a description within paragraphs (*a*), (*d*), (*e*) or (*f*) of Regulation 25 of the 1980 Regulations is now to be disregarded in determining whether exempt supplies may be treated as taxable supplies under Regulation 27(3) of the 1980 Regulations.

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