STATUTORY INSTRUMENTS

1972 No. 1147

VALUE ADDED TAX

The Value Added Tax (General) Regulations 1972

Made - - - -	*1st August* 1972
Laid before the House of Commons	*9th August* 1972
Coming into Operation:	
as to Parts I and II	*1st October* 1972
as to the remainder	*1st April* 1973

The Commissioners of Customs and Excise, in exercise of the powers conferred on them by sections 3(3), (4) and (5), 7(8), 12(7), 16(2) and (3), 17(1), 18, 23(2) and (3), 27(3), 30(1), (2), (4), (5) and (6), 33(3) and (4) and 35(1) of, and Paragraph 13 of Schedule 1 to, the Finance Act 1972(a) and of all other powers enabling them in that behalf, hereby make the following Regulations:—

PART I

PRELIMINARY

Citation and commencement

1.—(1) These Regulations may be cited as the Value Added Tax (General) Regulations 1972.

(2) They shall come into operation as to Parts I and II on 1st October 1972 and as to the remainder on 1st April 1973.

Interpretation

2.—(1) In these Regulations:—

"the Act" means the Finance Act 1972;

"Controller" means the Controller, Customs and Excise, Value Added Tax Central Unit;

"prescribed accounting period" means a period as referred to in Regulation 46 of these Regulations;

"registered person" means a person registered by the Commissioners under Schedule 1 to the Act;

"registration number" means the number allocated by the Commissioners to a taxable person in the certificate of registration issued to him.

(a) 1972 c. 41.

(2) In these Regulations any reference to a form prescribed in the Schedule to these Regulations shall include a reference to a form to the like effect which has been approved by the Commissioners.

(3) The Interpretation Act 1889(a) shall apply for the interpretation of these Regulations at it applies for the interpretation of an Act of Parliament.

PART II

REGISTRATION AND NOTIFICATION

3.—(1) Any person required under paragraph 3, 5 or 6 of Schedule 1 to the Act to notify the Commissioners of his liability to be registered or who wishes to register under paragraph 7 of the said Schedule shall do so on the form numbered 1 in the Schedule to these Regulations.

(2) Where the notification referred to in this Regulation is made for or on behalf of a partnership, the person so notifying shall furnish the particulars of the names and addresses of all the partners, whether or not actively engaged in the day-to-day business of the partnership, on the form numbered 2 in the Schedule to these Regulations.

4. Every registered person except one to whom paragraph 8, 9 or 10 of Schedule 1 to the Act applies shall, within 21 days after any change has been made in the name, constitution or ownership of his business, or after any other event has occurred which may necessitate the variation of the register or cancellation of his registration, notify the Commissioners in writing of such change or event and furnish them with full particulars thereof.

5.—(1) Where any notice is to be given for the purposes of the Act or these Regulations by or on behalf of a partnership, such notice shall be given by the precedent partner.

(2) The precedent partner is the partner who, being resident in the United Kingdom—

(*a*) is first named in the agreement of partnership; or

(*b*) if there is no agreement, is named singly or with precedence to the other partners in the usual name of the firm; or

(*c*) is the precedent acting partner, if the person named with precedence is not an acting one;

provided that, where there is no precedent partner, it shall be the duty of all the partners to give such notification as may be required; and, in such a case, all the partners shall give that notification in one document; but notification by any partner on behalf of the partnership shall be deemed to be notification by all of them.

(3) Where, in Scotland, a body of persons carrying on a business which includes the making of taxable supplies is a partnership required to be registered, any notice shall be given and signed in the manner indicated in section 6 of the Partnership Act 1890(b).

(a) 1889 c. 63. (b) 1890 c. 39.

6. Where any notice is to be given for the purposes of the Act or these Regulations by or on behalf of a club or an association the affairs of which are managed by its members or a committee or committees of its members, such notice shall be given by a responsible officer of the club or association who shall be named in the notice.

7.—(1) If a registered person dies or becomes bankrupt or otherwise incapacitated, the Commissioners may, from the date on which he died or became bankrupt or incapacitated until some other person is registered in his stead or the incapacity ceases, as the case may be, treat as a registered person any person acting or purporting to act as a personal representative, trustee, receiver or committee; and the provisions of the Act and of any Regulations made thereunder shall apply to any person so treated as though he were a registered person.

(2) Any person acting or purporting to act as aforesaid shall, within 21 days of being appointed, or of commencing so to act, whichever is the earlier, inform the Commissioners in writing of the date of the death or of the nature of the incapacity and the date on which it began.

PART III

TAX INVOICES

8.—(1) Save as otherwise provided in these Regulations, a taxable person making a taxable supply to another taxable person shall provide him with a tax invoice.

(2) The particulars of the tax chargeable on a supply of goods described in paragraph 2 of Schedule 2 to the Act shall be provided by the person selling them on a document containing the particulars prescribed in Regulation 9(1); and such a document issued to the buyer shall be treated for the purposes of paragraph (1) of this Regulation as a tax invoice provided by the person by whom the goods are deemed to be supplied in accordance with the said paragraph 2.

(3) Where a taxable person provides a document to himself which purports to be a tax invoice in respect of a supply of goods or services to him by another taxable person, that document may, with the approval of the Commissioners, be treated as the tax invoice required to be provided by the supplier under paragraph (1) of this Regulation.

9.—(1) Subject to Regulation 11 and save as the Commissioners may otherwise allow, a registered taxable person providing a tax invoice in accordance with Regulation 8 shall state thereon the following particulars—

(*a*) an identifying number;

(*b*) the date of the supply;

(*c*) the name, address and registration number of the supplier;

(*d*) the name and address of the person to whom the goods or services are supplied;

(*e*) the type of supply by reference to the following categories—

(i) a supply by sale,

(ii) a supply on hire-purchase or any similar transaction,

(iii) a supply by loan,

(iv) a supply by way of exchange,

(v) a supply on hire, lease or rental,

(vi) a supply of goods made from customer's materials,

(vii) a supply by sale on commission,

(viii) a supply on sale or return or similar terms, or

(ix) any other type of supply which the Commissioners may at any time by notice specify;

(*f*) a description sufficient to identify the goods or services supplied;

(*g*) the quantity of the goods or the extent of the services and the amount, excluding tax, payable for each description;

(*h*) the gross total amount payable excluding tax;

(*i*) the rate of any cash discount offered; and

(*j*) the rate and amount of tax chargeable.

(2) Where a taxable supply takes place as described in section 7(2)(*c*) or (5) of the Act, any consignment or delivery note or similar document or any copy thereof issued by the supplier before the time of supply shall not, notwithstanding that it may contain all the particulars set out in paragraph (1) of this Regulation, be treated as a tax invoice provided it is so endorsed.

10. Where a taxable person provides an invoice containing the particulars prescribed in Regulation 9 and specifies thereon any goods or services which are the subject of an exempt or zero-rated supply, he shall distinguish on the invoice between the goods or services which are the subject of an exempt, zero-rated or other supply and state separately the gross total amount payable in respect of each.

11. A taxable person who is a retailer shall not be required to provide a tax invoice, except that he shall provide such an invoice at the request of a customer who is a taxable person in respect of any supply to him; but, in that event, if, but only if, the value of the supply, including tax, does not exceed £10, the tax invoice need contain only the following particulars—

(*a*) the name, address and registration number of the retailer;

(*b*) the date of the supply;

(*c*) a description sufficient to identify the goods or services supplied;

(*d*) the total amount payable including tax; and

(*e*) the rate of tax in force at the time of the supply,

but shall not contain any reference to any zero-rated or exempt supply.

12. Regulations 8 to 11 shall not apply to—

(*a*) any zero-rated supply;

(*b*) any supply to which an order made under section 3(6) of the Act applies;

(*c*) any gift of goods by a registered taxable person in the course of a business carried on by him; or

(*d*) any supply to which an order made under section 14 of the Act applies.

PART IV

TIME OF SUPPLY

Interpretation

13. In this Part of these Regulations—

"agreement to hire" means an agreement for the bailment of goods for hire and includes leases of goods and rental agreements, but does not include an agreement under which the bailee has an option to buy the goods or under which the property in the goods passes to the bailee, nor does it include hire-purchase agreements, credit-sale agreements or conditional sale agreements, as defined in the Hire-Purchase Act 1965(**a**), the Hire-Purchase (Scotland) Act 1965(**b**) or the Hire-Purchase Act (Northern Ireland) 1966(**c**).

Supplies of goods on hire, lease or rental

14.—(1) Subject to paragraph (2) of this Regulation, where goods are or have been supplied under an agreement to hire, they shall be treated as being successively supplied on hire for successive parts of the period of the agreement, and each of the successive supplies shall be treated as taking place when a payment under the agreement is received or a tax invoice relating to the supply is issued by the supplier, whichever is the earlier.

(2) Where goods are suppplied under an agreement to hire which provides for periodical payments and the supplier at or about the beginning of any period not exceeding 1 year issues a tax invoice containing the following particulars—

(*a*) the date on which each payment is to become due in the period;

(*b*) the amount payable (excluding tax) on each date; and

(*c*) the rate of tax in force at the time of the issue of the tax invoice and the amount of tax chargeable in accordance with that rate on each payment,

they shall be treated as being successively supplied on hire for successive parts of the period of the agreement, and each of the successive supplies shall be treated as taking place when a payment becomes due or is received, whichever is the earlier.

Supplies of any form of power, heat, refrigeration or ventilation

15. Supplies such as are described in section 5(4) of the Act shall be treated as taking place whenever a payment is received or a tax invoice relating to the supply is issued by the supplier, whichever is the earlier.

Supplier's goods in possession of buyer

16.—(1) Where goods are supplied under an agreement whereby the supplier retains the property therein until the goods or part of them are appropriated under the agreement by the buyer and in circumstances where the whole or part of the consideration is determined at that time, a supply of any of the goods shall be treated as taking place at the earliest of the following dates—

(*a*) the date of such appropriation by the buyer;

(*b*) the date when a tax invoice is issued by the supplier; and

(*c*) the date when a payment is received by the supplier.

(**a**) 1965 c. 66.
(**b**) 1965 c. 67.
(**c**) 1966 c. 42 (N.I.).

(2) If, within 14 days after such appropriation of the goods or part of them by the buyer as is mentioned in paragraph (1) of this Regulation, the supplier issues a tax invoice in respect of goods appropriated, the provisions of section 7(5) of the Act shall apply to that supply.

(3) Paragraph (1) of this Regulation shall not apply to a supply such as is mentioned in section 7(2)(*c*) of the Act.

Retention payments

17. Where any contract for the supply of goods or services after 1st April 1973 provides for the retention of any part of the consideration by one party pending full and satisfactory performance of the contract, or of any part of it, by the other party, a supply shall be treated as taking place whenever a payment is received in respect of it or a tax invoice is issued by the supplier, whichever is the earlier.

Continuous supplies of services

18. Where services are supplied for any period for a consideration the whole or part of which is determined or payable periodically, they shall be treated as being successively supplied for successive parts of the period, and each of the successive supplies shall be treated as taking place when a payment is received or a tax invoice relating to the supply is issued by the supplier, whichever is the earlier.

19. Where services are supplied as described in Regulation 18 under an agreement which provides for periodical payments and the supplier, at or about the beginning of any period not exceeding 1 year, issues a tax invoice containing the following additional particulars—

(*a*) the date on which each payment is to become due in the period;

(*b*) the amount payable (excluding tax) on each date; and

(*c*) the rate of tax in force at the time of the issue of the tax invoice and the amount of tax chargeable in accordance with that rate on each payment,

they shall be treated as being successively supplied for successive parts of the period of the agreement, and each of the successive supplies shall be treated as taking place when a payment becomes due or is received, whichever is the earlier.

Supplies of services by barristers and advocates

20. If a fee in respect of services supplied by a barrister or advocate is not ascertained or ascertainable at or before the time when the service is supplied, the supply of that service shall be treated as taking place when the fee is received or a tax invoice is issued, whichever is the earlier.

Supplies in the construction industry

21.—(1) Where services, or services together with goods, are supplied in the course of the construction, alteration, demolition, repair or maintenance of a building or of any civil engineering work under a contract which provides for periodical payments for such supplies, a supply shall be treated as taking place at the earlier of the following times—

(*a*) when a payment is received by the supplier where the consideration for the contract is wholly in money; or

(*b*) when the supplier issues a tax invoice.

(2) For the purposes of this Regulation an authenticated receipt by the supplier containing the particulars required under Regulation 9(1) to be contained in a tax invoice shall be treated as a tax invoice on condition that no tax invoice or similar document which was intended to be or could be construed as being a tax invoice for the supply to which the receipt relates is issued.

General

22.—(1) Where under this Part of these Regulations a supply is treated as taking place when a tax invoice is issued by the supplier or when any payment is received by him, tax on that supply shall be chargeable only to the extent covered by the invoice or payment.

(2) Where, before any of the dates of payment specified on an invoice issued as described in Regulation 14(2) or in Regulation 19 there is a change in the tax charged on the supply to which the invoice relates, that invoice shall cease to be treated as a tax invoice in respect of any payment due after the change.

PART V

INPUT TAX

23. In this Part of these Regulations "method" means any method which is referred to in Regulation 24 or the use of which may be allowed or directed by the Commissioners pursuant to that Regulation.

24.—(1) Subject to paragraph (2) of this Regulation, the proportion of input tax to be attributed to taxable supplies by any taxable person who makes exempt supplies shall be determined in any prescribed accounting period by either of the following methods—

Method 1

Subject to Regulation 25 he may deduct such part of his input tax as bears the same ratio to his total input tax as the value of taxable supplies by him bears to the value of all supplies by him.

Method 2

Subject to Regulation 25 he may deduct input tax on the supply to him of goods, or paid or payable by him on imported goods, which are shown to the satisfaction of the Commissioners to have been acquired by him for supply by him in the same state and otherwise apply method 1.

(2) The Commissioners may allow or direct the use of a method other than one specified in paragraph (1) of this Regulation.

25. There shall be excluded from any calculation made by any person for the purpose of using a method—

(*a*) all capital sums receivable in respect of the grant, assignment or surrender of an interest in land which he has occupied in the course of carrying on a business;

(*b*) input tax on supplies to him or paid by him on imported goods which is specified as non-deductible in any order made by the Treasury under section 3(6) of the Act;

(*c*) that part of the value of any supply on which output tax is not chargeable by virtue of any order made by the Treasury under section 3(6) of the Act: and

(*d*) any transactions such as are mentioned in Item 4 of Group 5 of Schedule 5 to the Act except where the person whose business is wholly or mainly the negotiation or undertaking of, or the making of arrangements for, such transactions is himself the person using the method.

26.—(1) The Commissioners may, in respect of any period of not less than 1 year or such other period as they may approve ending on 31st March in any year or on such other date as they may approve, adjust the proportional attribution of input tax by a taxable person to taxable supplies so as to obtain the correct attribution for that period.

(2) After the date upon which a person ceases to be taxable the Commissioners may adjust his proportional attribution of input tax to taxable supplies so as to obtain the correct attribution for a period not exceeding 2 years before that date.

(3) Any amount due from or to a taxable person after an adjustment under paragraph (1) or (2) of this Regulation shall be notified in writing to that person who shall within 28 days inform the Commissioners in writing of his agreement or disagreement with the adjusted amount, and where he does not so inform them within that time the adjustment shall be deemed to be agreed.

(4) Any amount agreed or deemed to be agreed under paragraph (3) of this Regulation shall be accounted for as the Commissioners may direct.

(5) Any disagreement notified to the Commissioners under paragraph (3) of this Regulation shall be resolved either by an agreed further adjustment or by the assessed adjustment being confirmed by the Commissioners.

27.—(1) Where, in any prescribed accounting period or in any period of less than 2 years ending on 31st March in any year or on such other date as the Commissioners may approve, a person's only exempt supplies are such as are mentioned in Regulation 25(*a*) or (*d*), all his supplies in that period shall be treated as taxable supplies.

(2) Where, in any prescribed accounting period or in any period of less than 2 years ending on 31st March in any year or on such other date as the Commissioners may approve, the value of a taxable person's exempt supplies amounts to less than either—

(*a*) £100 per month on average, or

(*b*) 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 any calculation made under this paragraph all exempt supplies such as are mentioned in Regulation 25(*a*) or (*d*) shall be disregarded.

28. A person using any method shall—

(*a*) use it for at least 2 years save as the Commissioners may otherwise allow or direct;

(*b*) if he elects to change from one method to another, make any such change as from 1st April in any year or such other date as the Commissioners may approve.

29.—(1) Subject to paragraph (2) of this Regulation, if any taxable person makes a claim on the form numbered 3 in the Schedule to these Regulations within 6 months of the date with effect from which he was registered, supported by such evidence as the Commissioners may require, they may authorise him

to deduct, as if it were input tax, tax 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.

(2) No input tax may be deducted under paragraph (1) of this Regulation in respect of goods which had been supplied by the taxable person making the claim before the date with effect from which he was registered or otherwise than is prescribed in this Part of these Regulations.

PART VI

IMPORTATION, EXPORTATION AND REMOVAL FROM WAREHOUSE

Interpretation

30.—(1) In Regulation 41 "export house" means any taxable person not being a manufacturer who in the course of his business in the United Kingdom arranges or finances the export of goods from the United Kingdom.

(2) In Regulation 41 "approved inland clearance depot" means any inland premises approved by the Commissioners for the clearance of goods for customs purposes.

(3) In Regulations 42 and 43 "goods" does not include motor vehicles.

(4) In Regulations 42 and 43 "ship" includes a hovercraft within the meaning of the Hovercraft Act 1968**(a)**.

(5) In Regulations 44 and 45 "manufacturer" means a person who manufactures motor vehicles in the United Kingdom and includes the person nominated by a manufacturer of motor vehicles abroad as his sole agent for the United Kingdom for the purposes of tax-free sales under these Regulations.

(6) In this Part of these Regulations "overseas visitor" means a person who, during the 2 years immediately preceding the date of the supply mentioned in Regulations 42 and 43 or the date of the application mentioned in Regulation 44, has not been in the United Kingdom for more than 365 days; or, who, for the purposes of Regulation 44, during the 6 years immediately preceding the date of the application has not been in the United Kingdom for more than 1,095 days.

Exception of application of customs enactments

31. The following provisions of the Customs and Excise Act 1952**(b)**, that is to say—

(*a*) section 111 (remission of duty on spirits for use in art or manufacture);

(*b*) section 122 (remission of duty on spirits for methylation);

(*c*) sections 137 and 138 (drawback on exportation and warehousing of beer); and

(*d*) sections 182 and 183 (exemptions from duty of tobacco products and drawback on tobacco),

shall be excepted from the enactments which are to have effect as mentioned in section 17(1) of the Act.

(a) 1968 c. 59. **(b)** 1952 c. 44.

32. The following Regulations made under section 40 of the Customs and Excise Act 1952, that is to say—

(*a*) The Process (Temporary Importations) Regulations 1958**(a)**;

(*b*) The Temporary Importation (Equipment on Hire or Loan) Regulations 1970**(b)**; and

(*c*) The Temporary Importation (Magnetic Tapes) Regulations 1971**(c)**,

shall be excepted from the enactments which are to have effect as mentioned in section 17(1) of the Act.

Removal on importation or from warehouse

33. Goods imported by a taxable person in the course of a business carried on by him may, with the authority of the proper officer, be delivered or removed without payment of tax provided that—

(*a*) where entry is made, the particulars in the entry include his registration number; or

(*b*) where goods are imported by post and entry is not required to be made, his registration number is shown on the customs declaration attached to or accompanying the package; or

(*c*) in any other case, the Commissioners have permitted the goods to be removed without entry.

34. Goods may, with the authority of the proper officer, be removed from warehouse without payment of tax by a taxable person in the course of a business carried on by him provided that the particulars in the entry made on removal include his registration number.

35. Save as the Commissioners may otherwise allow, a taxable person shall account for tax chargeable on goods on their importation or removal from warehouse by him together with any tax chargeable on the supply of goods or services by him in a return furnished by him in accordance with these Regulations for the prescribed accounting period during which the goods were imported or removed from warehouse, as the case may be.

36. If a taxable person fails to comply with Regulation 35, the Commissioners may direct that Regulations 33 and 34 shall not apply to subsequent deliveries and removals by him.

Temporary importations

37.—(1) The Commissioners, having regard to the tax chargeable on the supply of like goods in the United Kingdom, may permit any goods imported otherwise than on hire or loan to be delivered without payment of tax if they are satisfied—

(*a*) that it is intended to re-export the imported goods or goods incorporating them or manufactured or produced from them; and

(*b*) that the provisions of this Regulation and such conditions as may be imposed by the Commissioners are complied with,

and tax shall not be payable so long as they continue to be so satisfied.

(a) S.I. 1958/1642 (1958 I, p. 811).
(b) S.I. 1970/423 (1970 I, p. 1458).
(c) S.I. 1971/1356 (1971 II, p. 3835).

(2) The importer shall at the time of importation—

(*a*) produce the goods for examination to the proper officer if so required; and

(*b*) deposit such sum of money or give such other security as the proper officer may require to ensure compliance with this Regulation and any conditions imposed thereunder.

(3) Save as the Commissioners may otherwise allow, the goods shall not be used by or supplied to any person in the United Kingdom.

(4) The proper officer may require the goods or any goods incorporating them or manufactured or produced from them to be produced to him at any time.

(5) The importer or other person having charge of the goods shall—

(*a*) keep such resords relating to the goods as the proper officer may require;

(*b*) on demand produce those records to the proper officer and furnish him with such information relating to the goods as he may require.

(6) The goods shall be exported within 6 months of the date of importation or within such longer period as the Commissioners may allow.

(7) The importer or other person having charge of the goods shall produce to the proper officer such evidence of exportation as he may require.

38. Where goods are imported, and

(*a*) the Commissioners are satisfied that the goods are on hire or loan to the importer from an overseas supplier; and

(*b*) the proper officer is satisfied that the goods are to be re-exported; and

(*c*) such conditions as the Commissioners may impose are complied with,

they may remit such amount of tax as represents the difference between the tax ordinarily payable on importation and such tax as would have been payable had the charge made for the hire or loan been the value of the goods:

provided that if in the opinion of the Commissioners such charge is less than would normally be made or if no charge is made, the Commissioners may assess that value having regard to charges made for the hiring of similar goods for a similar period in the United Kingdom.

Relief on the reimportation of certain goods

39. Subject to such conditions as the Commissioners may impose, the tax chargeable on the importation of goods which have been previously exported from the United Kingdom shall not be payable if the Commissioners are satisfied that—

(*a*) the importer is not a taxable person or, if he is, the goods are imported otherwise than in the course of his business;

(*b*) the goods were last exported by him or on his behalf;

(*c*) the goods were supplied in the United Kingdom before their export, and any purchase tax or tax due on that supply was paid and neither has been, nor will be, refunded;

(*d*) the goods were not exported free of tax under a scheme provided for in these Regulations or free of purchase tax;

(*e*) the goods have not been subject to process or repair abroad; and

(*f*) the goods

(i) were at the time of exportation intended to be reimported, or

(ii) have been returned for repair or replacement or after rejection by an overseas customer or because it was not possible to deliver them to an overseas customer, or

(iii) were in private use and possession in the United Kingdom before they were exported.

Partial relief on the reimportation of goods exported for process or repair

40. Goods which have been exported from the United Kingdom by or on behalf of the person reimporting them and which have undergone any process or repair abroad shall be chargeable with tax on reimportation as if the amount of any increase in the value of the goods, since their exportation, attributable to the process or repair were the whole value thereof.

Supplies to export houses

41. Where goods are supplied to an export house and—

(*a*) the goods are delivered by the supplier direct to a port, Customs airport or approved inland clearance depot for immediate shipment; and

(*b*) the goods are exported,

the supply, subject to such conditions as the Commissioners may impose, shall be zero-rated.

Supplies to persons departing from the United Kingdom

42. Where the Commissioners are satisfied that—

(*a*) goods have been supplied direct to a ship or aircraft on behalf of an overseas visitor or a resident of the United Kingdom who at the time of the supply intended to depart from and remain outside the United Kingdom for a period of at least 12 months;

(*b*) the goods were produced to the proper officer on exportation; and

(*c*) unless they have otherwise allowed, the goods were exported in that ship or aircraft,

the supply, subject to such conditions as they may impose, shall be zero-rated.

43.—(1) Where the Commissioners are satisfied that—

(*a*) goods have been supplied to an overseas visitor who, at the time of the supply, intended to depart from the United Kingdom within 3 months from that date and that the goods should accompany him;

(*b*) the goods were capable of being carried on the person or in the hand baggage of the exporter or, if he intended to depart from the United Kingdom with a motor vehicle, in that vehicle;

(*c*) the goods were produced to the proper officer on exportation; and

(*d*) the goods have been exported,

the supply, subject to such conditions as they may impose, shall be zero-rated.

(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.

44. The Commissioners may, on application by an overseas visitor who intends to depart from the United Kingdom and remain outside the United Kingdom for a period of at least 12 months, permit him to acquire a new motor vehicle from a manufacturer without payment of tax for subsequent export, and its supply, subject to such conditions as they may impose, shall be zero-rated.

45. The Commissioners may, on application by any person who intends to depart from the United Kingdom within 6 months and remain outside the United Kingdom for at least 12 months, permit him to acquire a new motor vehicle from a manufacturer without payment of tax for subsequent export, and its supply, subject to such conditions as they may impose, shall be zero-rated.

PART VII

ACCOUNTING AND PAYMENT

46.—(1) Every registered person shall, on the form numbered 4 in the Schedule to these Regulations, furnish the Controller with a return showing the amount of tax payable by or to him in respect of each period of 3 months ending on dates notified in the certificate of registration issued to him, or otherwise, and containing full information in respect of all other matters specified in the said form; and shall furnish such a return not later than the last day of the month next following the end of the period to which it relates: provided that—

(*a*) the Commissioners may direct or allow a registered person to furnish returns in respect of periods of 1 month and to furnish those returns within 1 month of the periods to which they relate;

(*b*) the Commissioners may direct that any period commencing on 1st April 1973 shall comprise 3, 4 or 5 months as may be appropriate; and

(*c*) where the Commissioners are satisfied that, in order to meet the circumstances of any particular case, it is necessary to vary the length of any period or the date on which any period begins or ends or the date on which any return shall be furnished, they may direct or allow a registered person to furnish returns accordingly.

(2) Any person to whom the Commissioners give any direction in pursuance of the proviso to paragraph (1) shall comply therewith.

(3) Where a return is furnished by a body corporate acting as a representative member of a group as provided by section 21 of the Act, the return shall, unless the Commissioners otherwise allow, be accompanied by a document in the form numbered 5 in the Schedule to these Regulations giving such information about the group as is specified therein.

(4) Any person who ceases to be liable to be registered shall, not later than 1 month after so ceasing, furnish to the Controller a final return on the form numbered 6 in the Schedule to these Regulations in respect of that part of the last period during which he was registered.

(5) The Commissioners may allow tax chargeable in any period to be treated as being chargeable in such later period as they may specify.

47. Where goods are deemed to be supplied by a taxable person by virtue of paragraph 2 of Schedule 2 to the Act, the person selling the goods, whether or not he is registered under the Act, shall within 21 days of the sale—

(*a*) furnish to the Controller a statement showing—

(i) his name and address and, if registered, his registration number,

(ii) the name, address and registration number of the person whose goods were sold,

(iii) the date of the sale,

(iv) the description and quantity of the goods sold, and

(v) the amount for which they were sold and the amount of tax chargeable;

(*b*) pay the amount of tax due; and

(*c*) send to the person whose goods were sold a copy of the statement referred to in (*a*) above,

and the person selling the goods and the person whose goods were sold shall exclude from any return which either or both may be required to furnish under these Regulations the tax chargeable on that supply of those goods.

48. Save as the Commissioners may otherwise allow, a registered person furnishing a return in accordance with Regulation 46 shall account therein for all his output tax and all tax for which he is accountable by virtue of Part VI of these Regulations in respect of the period to which the return relates and at the same time pay any amount of tax appearing by that return to be due.

49. The Commissioners may allow a person to estimate a part of his output tax for any period in cases where they are satisfied that he is not able to account for the exact amount of output tax chargeable in that period, provided that any such estimated amount shall be adjusted and exactly accounted for as tax chargeable in the next period thereafter.

50.—(1) Any registered person claiming deduction of input tax in relation to any period shall do so on the return furnished by him for that period, or for any subsequent period.

(2) The Commissioners may allow a person to estimate a part of his deductible input tax for any period in cases where they are satisfied that he is not able to claim the exact amount to be deducted by him for that period, provided that any such estimated amount shall be adjusted and exactly accounted for as tax deductible in the next period thereafter.

51. If a registered person makes an error in accounting for tax or in any return furnished under these Regulations he shall correct it as the Commissioners may require but in no case later than on the return funished next after its discovery.

PART VIII

DISTRESS AND DILIGENCE

Distress

52.—(1) If upon demand made by a Collector of Customs and Excise a person neglects or refuses to pay tax which he is required to pay under the Act or any Regulation made thereunder, the Collector may distrain on the goods and chattels

of that person and by warrant signed by him direct any authorised person to levy such distress, provided that where an amount of tax is due under section 31(6) of the Act no distress shall be levied until 21 days after that amount became due.

(2) For the purpose of levying any such distress an authorised person may after obtaining a warrant for the purpose signed by a Collector of Customs and Excise break open, in the daytime, any house or premises.

(3) A levy or warrant to break open shall be executed by or under the direction of, and in the presence of, the authorised person.

(4) A distress levied by the authorised person shall be kept for 5 days, at the costs and charges of the person neglecting or refusing to pay.

(5) If the person aforesaid does not pay the sum due, together with the costs and charges, within the said 5 days, the distress shall be independently appraised and shall be sold by public auction by the authorised person for payment of the sums due and all costs and charges; and costs and charges of taking, keeping and selling the distress shall be retained by the authorised person, and any surplus remaining after the deduction of the costs and charges and of the sum due shall be restored to the owner of the goods distrained.

Diligence

53. In Scotland, the following provisions shall have effect—

(*a*) Upon certificate made to him by a Collector of Customs and Excise that any tax is due under the Act or under Regulations made thereunder and has not been paid the sheriff or sheriff substitute for the county shall issue a warrant for the Collector recovering the said tax by poinding the goods and effects of any person entered in the certificate as being a defaulter:

(*b*) The warrant shall be executed by the sheriff officers of the county:

(*c*) The goods and effects so poinded shall be detained and kept on the ground, or at the house where the same were poinded, or in such other place of which the owner shall have notice, near to the said ground or house, as the officer so poinding the same shall think proper, for the space of 5 days, during which time the said goods and effects shall remain in the custody of the said officer, and liable to the payment of the whole tax in arrear and to the costs to be paid to the officer who poinded the same as hereinafter directed, unless the owner from whom the same were poinded shall redeem the same, within the said space of 5 days, by payment to the officer of the said tax in arrear and costs, to be settled in the same manner as if the said goods and effects had been sold as hereinafter directed:

(*d*) The goods and effects so poinded shall, after the expiration of the said 5 days, be valued and appraised by any 2 persons to be appointed by the officer and shall be sold and disposed of, at a sum not less than the value, by the officer who does poind the same:

(*e*) The value shall be applied, in the first place to the satisfaction and payment of the tax owing by the person whose goods are so poinded, and, in the second place, to the payment for the trouble of the officer so poinding, at the rate of 10 pence per pound of the tax for which the goods shall be so poinded unless the owner from whom the same were poinded shall redeem the same by payment of the appraised value, within the space of 5 days after the valuation, to the officer who poinded the same:

(*f*) In case any surplus remains of the price or value, after payment of the said tax, and after payment of what is allowed to be retained by the officer in manner herein directed, such surplus shall be returned to the owner from whom the goods were poinded:

(*g*) In case no purchaser appears at the said sale, then the said goods and effects, so poinded, shall be consigned and lodged in the hands of the sheriff of the county, or his substitute, and if not redeemed by the owner within the space of 5 days after the consignment in the hands of the said sheriff or sheriff substitute, the same shall be rouped, sold, and disposed of by order of the sheriff, in such manner, and at such time and place, as he shall appoint, he always being liable to the payment of the tax to the authorised person, and to payment to the officer who shall have poinded the same, for his trouble and expense, as before stated, and to the fees due to the officer, and being, in the third place, entitled to 5 pence per pound of the value of the goods so disposed of, for his own pains and trouble, after preference and allowance of the said tax, and of what is appointed to be paid to the officer for his trouble:

(*h*) There shall also be allowed, to the officer so poinding, the expense of maintaining or preserving the said goods and effects from the time of poinding the same, during the period allowed to the owner to redeem them, and also the expense of the sale; and in like manner the expense shall be allowed to the sheriff or sheriff substitute, for maintaining or preserving the goods poinded, during the period that the owner is allowed to redeem, after consignment in his hands, and until the sale thereof, and also the expense of the sale:

(*i*) Every auctioneer, or seller by commission, selling by auction, in Scotland, any goods or effects whatsoever by any mode of sale at auction, shall, at least 3 days before he begins any sale by way of auction, deliver or cause to be delivered to the authorised person a notice in writing, signed by such auctioneer or seller by auction, specifying therein the particular day when such sale is to begin, and the name and surname of the person whose goods and effects are to be sold, with his place of residence.

R. W. Radford,
Commissioner of Customs and Excise.

1st August 1972.

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

SCHEDULE

Regulation 3(1)
Form No. 1

Notification of taxable business for Value Added Tax

1 Full name (company, sole proprietor, firm, public corporation, government department, local authority or responsible officer) _____

2 Trading style if different from 1 _____

3 Status of business .....

4 Address of 1 (registered address of company, business address of proprietor or firm, head office address, private address of responsible officer) _____

Postcode _____ Telephone No. .....

5 Address of the principal place where the business is carried on if different from 4 _____

Postcode _____ Telephone No. .....

6 Address of the place at which the principal accounts of the business are kept if different from 4 or 5 .....

Postcode ..... Telephone No. .....

7 Enter the code number corresponding to the trade classification of the business. | | |

8 *If you are applying for voluntary registration under 15 below DO NOT complete this item.*

State whether the taxable turnover of the business, including self-supplies, is likely to exceed £5,000 in the next twelve months. *Yes/No
If answer is NO indicate which of the following limits has been exceeded by ticking in the appropriate box or boxes (a) – (d).

(a) £1,750 in the last calendar quarter ☐

(b) a total of £3,000 in the last two calendar quarters ☐

(c) a total of £4,250 in the last three calendar quarters ☐

(d) a total of £5,000 in the last four calendar quarters ☐

9 Say what you expect the approximate taxable turnover of the business to be in the next twelve months. £.....

10 Do you expect to make any exempt supplies? *Yes/No
If YES enter the approximate amount for the next twelve months. £.....

11 Do you expect your input tax to exceed your output tax regularly? *Yes/No
If YES
(a) give your reasons here (e.g. exporter), ...
and
(b) enter the estimated value of your zero-rated outputs in the next twelve months. £.....

12 Are your VAT accounts to be kept on a computer? *Yes/Partly/No

13 If you intend to pay VAT by means of credit transfer through Bank Giro or National Giro tick the appropriate box. ☐ Bank Giro ☐ National Giro

14 Enter for VAT repayment purposes
EITHER
your Bank sorting code No. and your Bank account No.
OR
your National Giro account No.

Bank sorting code No.	Bank account No.
	National Giro account No.

Applications

15 *[I apply for the person named at 1 to be treated exceptionally as a taxable person for the reasons given in the accompanying letter]

16 *[I apply for the person named at 1 to be treated exceptionally as not being a taxable person for the reasons given in the accompanying letter]

Declaration

17 I [*full name of signatory in BLOCK CAPITALS*] .....
declare that the particulars and statements in this form
*[the accompanying letter] and
*[details of partners' names and addresses shown on the attached form VAT 2 initialled by me]
are true and complete.

Dated.....Signed.....

18 List in order the identifying numbers of the Customs and Excise VAT Notices which you hold or have asked for (other than Notices No. 700 and 701)

Regulation 3(2)

Form No. 2

Value Added Tax
Notification of Details of all Partners

Full name .....

Address including postcode .....

.....

.....

Full name .....

Address including postcode .....

.....

Full name .....

Address including postcode .....

.....

Initials.....

Date .....

Form No. 3

Regulation 29(1)

Value Added Tax
Claim for Relief
Goods which have borne VAT and are on hand at time of registration

Name of person or firm making claim .....

.....

Registration number

Address .....

.....

Description of goods on which relief is claimed	Quantities on hand on the effective date of registration		Name and address of taxable person who supplied the goods (Place of importation or name of warehouse if goods were imported by the applicant or VAT-paid ex warehouse)	Date of invoice from taxable person (or number and date of import entry or warehouse warrant)	Amount of tax on the actual quantities on hand, columns (2) and (3), calculated from the relevant invoices (or) import documents or warehouse warrants)	
	In the same state	Already used in making other goods, the goods so made being still on hand			£	p
(1)	(2)	(3)	(4)	(5)	(6)	

Declaration by Claimant

I declare that the above is a true account of the goods which have borne VAT remaining on hand on..... and of the tax paid on their supply or importation. The account is based on the attached documentary evidence of payment of tax and I undertake to produce any further records to an officer of Customs and Excise on request.

Date..... Signed .....

Regulation 46(1)
Form No. 4

Return of Value Added Tax
For the period to

Registration No.	Period No.

PART A. Account of tax payable or repayable

Tax due for this period:	Output tax		1 £
	Tax due on imported goods and goods from bonded warehouses		2 £
Underdeclarations and/or underpayments of tax in respect of previous periods:	Notified by Customs and Excise		3 £
	Other		4 £
Total tax due:	Sum of boxes 1 to 4		5 £
Deductible input tax for this period:		6 £	
Overdeclarations and/or overpayments of tax in respect of previous periods:	Notified by Customs and Excise	7 £	
	Other	8 £	
Total tax deductible:	Sum of boxes 6 to 8		9 £
Net tax payable or repayable:		Payable to Customs and Excise ☐ / Repayable by Customs and Excise ☐	10 £

Method of payment to Customs and Excise: National Giro ☐ Bank Giro ☐ Remittance enclosed ☐

PART B. Value of outputs and inputs (excluding any Value Added Tax)

			Pounds only
Outputs:	Outputs chargeable at the standard rate of tax	11 £	
	Exports	12 £	
	Other zero-rated taxable outputs	13 £	
	Total taxable outputs (sum of boxes 11, 12 and 13)	14 £	
	Exempt outputs	15 £	
	Total outputs (sum of boxes 14 and 15)	16 £	
Inputs:	Total taxable inputs including zero-rated inputs	17 £	

PART C. Retailers' special schemes

Enter in the box(es):	1 if you have used scheme 1 2, 3 or 4 if you have used any of these schemes	18

PART D. Calculation of deductible input tax			
Enter 1, 2 or 3 in this box to show which method you have used		19	
Amount of any input tax wholly attributable to taxable supplies		20 £	
Amount of input tax partly attributable to taxable supplies	21 £		
Percentage used to attribute input tax $\left(\frac{\text{box 14} \times 100}{\text{box 16}}\right)$	22		
That part of the amount in box 21 which is deductible for the period $\left(\frac{\text{box 21} \times \text{box 22}}{100}\right)$		23 £	
Total deductible input tax for the period (sum of boxes 20 and 23); this total should also be entered at box 6 overleaf		24 £	

PART E. Declaration by the signatory

I .....

declare that (i) the information given in this return is true and complete in respect of all business or businesses carried on by the registered person except in so far as he is separately registered if so required and, except as notified, none of the changes listed in Notice No. 700 has occurred during the period covered by the return,

(ii) the amounts shown as deductible input tax in this return relate to tax which may be deducted by virtue of Section 3 of the Finance Act 1972 and Regulations made under that section, and I claim deduction of input tax accordingly,

(iii) where I have used one of the retailers' special schemes I have complied with Notice No. 707.

Signed .....

Date .....

Form No. 5

Regulation 46(3)

Value Added Tax
Trading Figures for Associated Businesses in a Group Registration

Registration number of Representative Member.....

Reference number	Total turnover £	Total purchases £	Net Tax payment £	Net Tax repayment £
Representative Member				

Regulation 46(4)
Form No. 6

Final Return of Value Added Tax
For the period to

Registration No.

PART A. Account of tax payable or repayable

Tax due for this period:	Output tax		1 £
	Tax due on imported goods and goods from bonded warehouses		2 £
Underdeclarations and/or underpayments of tax in respect of previous periods:	Notified by Customs and Excise		3 £
	Other		4 £
Total tax due:	Sum of boxes 1 to 4		5 £
Deductible input tax for this period:		6 £	
Overdeclarations and/or overpayments of tax in respect of previous periods:	Notified by Customs and Excise	7 £	
	Other	8 £	
Total tax deductible:	Sum of boxes 6 to 8		9 £
Net tax payable or repayable:		Payable to Customs and Excise ☐ / Repayable by Customs and Excise ☐	10 £

Method of payment to Customs and Excise: National Giro ☐ Bank Giro ☐ Remittance enclosed ☐

PART B. Value of outputs and inputs (excluding any Value Added Tax)

			Pounds only
Outputs:	Outputs chargeable at the standard tate of tax	11 £	
	Exports	12 £	
	Other zero-rated taxable outputs	13 £	
	Total taxable outputs (sum of boxes 11, 12 and 13)	14 £	
	Exempt outputs	15 £	
	Total output (sum of boxes 14 and 15)	16 £	
Inputs:	Total taxable inputs including zero-rated inputs	17 £	

PART C. Retailers' special schemes

Enter in the box(es):	1 if you have used scheme 1	18
	2, 3 or 4 if you have used any of these schemes	

PART D. Calculation of deductible input tax

Enter 1, 2 or 3 in this box to show which method you have used		19	
Amount of any input tax wholly attritutabe to taxable supplies		20 £	
Amount of input tax partly attributable to taxable supplies	21 £		
Percentage used to attribute input tax $\left(\frac{\text{box 14} \times 100}{\text{box 16}}\right)$	22		
That part of the amount in box 21 which is deductible for the period $\left(\frac{\text{box 21} \times \text{box 22}}{100}\right)$		23 £	
Total deductible input tax for the period (sum of boxes 20 and 23); this total should also be entered at box 6 overleaf		24 £	

PART E. Declaration by the signatory

.....

declare that (i) the information given in this return is true and complete in respect of all business or businesses carried on by the registered person except in so far as he is separately registered if so required and, except as notified, none of the changes listed in Notice No. 700 has occurred during the period covered by the return,

(ii) the amounts shown as deductible input tax in this return relate to tax which may be deducted by virtue of Section 3 of the Finance Act 1972 and Regulations made under that section, and I claim deduction of input tax accordingly,

(iii) where I have used one of the retailers' special schemes I have complied with Notice No. 707,

(iv) the total tax due as stated in this return includes the amount of £.....representing tax due on all goods in stock or forming part of the assets of the business (including capital goods) at the close of business on.....

Signed .....

Date .....

EXPLANATORY NOTE

(This Note is not part of the Regulations.)

These Regulations, made under various provisions of the Finance Act 1972, prescribe various practical arrangements required for the introduction of the value added tax.

Part I is formal.

Part II deals with the notification of taxable businesses to Customs and Excise and the setting up and maintenance of a register of taxable persons.

Part III provides for the issue of invoices, to be known as tax invoices, in respect of taxable supplies of goods and services, and for the particulars to be contained in such invoices.

Part IV determines the time when certain supplies of goods and services are to be treated as taking place for the purposes of the charge to tax.

Part V deals with the deduction of input tax, including its attribution where necessary either to taxable or to exempt supplies.

Part VI deals with the treatment for tax purposes of, and the collection of tax on, imported goods and goods removed from bonded warehouses; and also with the zero-rating of certain specified supplies of goods that have been or are to be exported.

Part VII prescribes how tax is to be accounted for and paid to Customs and Excise.

Part VIII makes detailed provision for the levying of distress (or in Scotland the doing of diligence) on the goods and chattels of persons refusing or neglecting to pay tax due.

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