

2021 No.

VALUE ADDED TAX

The Value Added Tax (Amendment) Regulations 2021

Made - - - - *****

Laid before the House of Commons *****

Coming into force - - *1st April 2022*

The Commissioners for Her Majesty’s Revenue and Customs, in exercise of the powers conferred by paragraphs 6(5) and (6) of Schedule 11 to the Value Added Tax Act 1994(a), make the following Regulations.

Citation and Commencement

1.—(1) These Regulations may be cited as the Value Added Tax (Amendment) Regulations 2021 and come into force on 1st April 2022.

(2) The amendments made by these Regulations have effect from 1st April 2022 where a taxpayer has a prescribed accounting period(b) which begins on that date and otherwise from the first day of a taxpayer’s first prescribed accounting period beginning after 1st April 2022.

Amendment of the Value Added Tax Regulations 1995

2. Regulation 32B of the Value Added Tax Regulations 1995(c) is amended as follows—

- (a) omit paragraphs (2) to (5);
- (b) in paragraph (6), for “exemptions under paragraphs (1)(b) and (3) do” substitute “exemption under paragraph (1)(b) does”.

Date *Name*
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Two of the Commissioners for Her Majesty’s Revenue and Customs

(a) 1994 c. 23 (“the Act”). Paragraph 6 of Schedule 11 was relevantly amended by section 62(3)(b) of the Finance (No. 2) Act 2017 (c. 23), paragraph 17(3) of Schedule 3 to the Taxation (Post-transition Period) Act 2020 (c.26) and section 94 of the Finance Act 2021 (c.**). Section 96(1) of the Act defines “the Commissioners” as meaning “the Commissioners of Customs and Excise” and “regulations” as meaning regulations made by the Commissioners under the Act. The functions of the Commissioners of Customs and Excise were transferred to the Commissioners for Her Majesty’s Revenue and Customs by section 5(1) of the Commissioners for Revenue and Customs Act 2005 (c.11), section 50(1) of which provides that a reference to the Commissioners of Customs and Excise shall be taken as a reference to the Commissioners for Her Majesty’s Revenue and Customs.

(b) “Prescribed accounting period” is defined by regulation 2 of the Value Added Tax Regulations 1995 (S.I. 1995/2518) as meaning a period such as is referred to in regulation 25 of those regulations.

(c) S.I. 1995/2518; amended by S.I. 2018/261; there are other amending instruments but none is relevant.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend regulation 32B of the Value Added Tax Regulations 1995 (“VAT Regulations”).

Regulation 1 provides that these Regulations will come into force on 1 April 2022. These Regulations have effect from 1 April 2022 for those taxpayers who have a prescribed accounting period beginning on that date and otherwise from the first day of a taxpayer’s first prescribed accounting period beginning after that date.

Regulation 32B of the VAT Regulations provides for exemptions from the requirement to keep electronic records specified in regulation 32A of those regulations.

Regulation 2 of these Regulations omits the exemption provided in regulation 32B(2) to (5) for taxpayers whose turnover is below the threshold for compulsory VAT registration.

A Tax Information and Impact Note covering this instrument was published on 3 March 2021 and is available on the website at <https://www.gov.uk/government/publications/extension-of-making-tax-digital-for-vat>. It remains an accurate summary of the impacts that apply to this instrument.