

Regulations made by the Treasury, laid before the House of Commons under sections 51(5) and 52(3) of the Taxation (Cross-border Trade) Act 2018, for approval by resolution of the House of Commons within 60 days beginning with the first day on which any provision of the Regulations comes into force for any purpose as a result of section 52(2) of that Act, subject to extension for periods of dissolution, prorogation or adjournment for more than four days.

STATUTORY INSTRUMENTS

2020 No. 1312

**EXITING THE EUROPEAN UNION
VALUE ADDED TAX**

**The Value Added Tax (Miscellaneous Amendments
to Acts of Parliament) (EU Exit) Regulations 2020**

*Made - - - - 18th November 2020
Laid before the House of
Commons - - - - 19th November 2020
Coming into force in accordance with regulation 1*

The Treasury make these Regulations in exercise of the powers conferred by sections 51(1)(a), 51(3)(a) and 52(2) of the Taxation (Cross-border Trade) Act 2018⁽¹⁾.

In accordance with section 51(1) of that Act, the Treasury consider it appropriate in consequence of, or otherwise in connection with, the withdrawal of the United Kingdom from the EU, to make the following provision in relation to value added tax. In accordance with section 52(2) of that Act, the Treasury consider it appropriate in consequence of, or otherwise in connection with, the withdrawal of the United Kingdom from the EU, for these Regulations to come into force on such day or days as the Treasury may by regulations under section 52 of that Act appoint.

Citation and commencement

1. These Regulations may be cited as the Value Added Tax (Miscellaneous Amendments to Acts of Parliament) (EU Exit) Regulations 2020 and come into force on such day or days as the Treasury may by regulations under section 52 of the Taxation (Cross-border Trade) Act 2018 appoint.

(1) 2018 c. 22; section 51(1)(a) permits “the appropriate Minister” to make provision relating to value added tax and under section 51(4)(b) “the appropriate Minister” means the Treasury.

Amendment of the Taxation (Cross-border Trade) Act 2018

2. In Schedule 8 to the Taxation (Cross-border Trade) Act 2018 (VAT amendments), in paragraph 94(4), omit paragraph (c).

Amendment of Group 8 of Schedule 8 to the Value Added Tax Act 1994

3. Group 8 of Schedule 8 to the Value Added Tax Act 1994(2) (zero rating: transport) is amended as follows.

4. In Item 4, in paragraph (a), omit “, ship or aircraft”.

5. For Item 6 substitute—

“6. Any services provided for—

(a) the handling of ships, aircraft or railway vehicles—

- (i) in a port, customs and excise airport or international railway area, or
- (ii) outside the United Kingdom;

(b) the handling or storage—

- (i) in a port,
 - (ii) on land adjacent to a port,
 - (iii) in a customs and excise airport,
 - (iv) in an international railway area, or
 - (v) in a temporary storage facility,
- of goods carried in a ship, aircraft or railway vehicle.”

6. After that Item insert—

“6ZA. Any services provided in an airport that is not a customs and excise airport for—

- (a) the handling of an aircraft, or
- (b) the handling or storage of goods carried in an aircraft,

provided that the aircraft is of a type mentioned in paragraph (b)(i) of Note (A1).”

7. After Note (4) insert—

“(4ZA) “Vehicle” has the same meaning as in the Management Act(3).”

8. For Note (6) substitute—

“(6) In Item 6—

- (a) “port” and “temporary storage facility” have the same meanings as in the Management Act;
- (b) “international railway area” means—
 - (i) any place which may be designated as a railway customs area by virtue of section 26(1ZB) of the Management Act(4), or

(2) 1994 c. 23. Item 4 of Group 8, Schedule 8 was amended by S.I. 2001/753 and section 22(1) of the Finance (No. 3) Act 2010 (c. 33). Item 6 of and Note (6) to Group 8, Schedule 8 were amended by S.I. 2002/1173.

(3) “The Management Act” is defined in section 96(1) of the Value Added Tax Act 1994 as meaning the Customs and Excise Management Act 1979 (c. 2). The definition of “vehicle” in section 1 of that Act was replaced by a new definition substituted by paragraph 4(2)(l) of Schedule 7 to the Taxation (Cross-border Trade) Act 2018 with effect from a day to be appointed.

(4) Section 26(1ZB) of the Customs and Excise Management Act 1979 was inserted by paragraph 18(3) of Schedule 7 to the Taxation (Cross-border Trade) Act 2018 with effect from a day to be appointed.

- (ii) such other place relating to international rail travel as may be specified in a notice published by the Commissioners;
- (c) “railway vehicle” has the same meaning as in section 83 of the Railways Act 1993⁽⁵⁾.”.

9. After that Note insert—

“(6ZA) “Customs and excise airport” has the same meaning as in the Management Act.”.

Amendment of Group 5 of Schedule 9 to the Value Added Tax Act 1994

10. In Group 5 of Schedule 9 to the Value Added Tax Act 1994⁽⁶⁾ (exemptions: finance), in Note (6), in the definition of “qualifying pension fund”, in paragraph (e), omit “or in a member State”.

18th November 2020

James Morris
Maggie Throup
Two of the Lords Commissioners of Her
Majesty’s Treasury

⁽⁵⁾ “Railway vehicle” is defined in section 83 of the Railways Act 1993 (c. 43).

⁽⁶⁾ The definition of “qualifying pension fund” in Note (6) to Group 5, Schedule 9 of the Value Added Tax Act 1994 was inserted by S.I. 2020/209.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Taxation (Cross-border Trade) Act 2018 (c. 22: “TCTA”) and the Value Added Tax Act 1994 (c. 23: “VATA”) for the purpose of making changes that are appropriate in consequence of, or otherwise in connection with, the withdrawal of the United Kingdom from the EU. The provisions will come into force on a day or days to be appointed by the Treasury in further regulations.

Regulation 2 omits paragraph 94(4)(c) of Schedule 8 to TCTA which was superseded by the Value Added Tax (Tour Operators) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/73). That instrument replaced Item 12, Group 8 of Schedule 8 to VATA with a new provision.

Regulations 3 to 9 amend Group 8 of Schedule 8 to VATA by making provision in connection with the United Kingdom’s exit from the EU as follows: (a) extending the zero rate of VAT to apply to supplies of certain services made in relation to the handling of international trains and the handling of goods carried in such trains, (b) making additional provision in relation to services supplied in airports that are not customs and excise airports and (c) bringing certain terms and definitions in line with changes made to the Customs and Excise Management Act 1979 (c. 2) by TCTA.

Regulation 10 makes a change to the definition of “qualifying pension fund” in Group 5 of Schedule 9 to VATA which is necessary in consequence of the withdrawal of the United Kingdom from the EU.

A Tax Information and Impact Note covering this instrument will be published on the website at <https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins>.