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STATUTORY INSTRUMENTS

2021 No. 1165

VALUE ADDED TAX

The Value Added Tax (Distance Selling and Miscellaneous Amendments No. 2) Regulations 2021

Approved by the House of Commons

Made	- - - -	at 11.17 a.m. on 25th October 2021
Laid before the House of Commons	- - - -	at 4.15 p.m. on 25th October 2021
Coming into force	- -	1st December 2021

The Treasury make these Regulations in exercise of the powers conferred by section 51(1)(a) and (3) of the Taxation (Cross-border Trade) Act 2018⁽¹⁾ and section 96(1)(a) and (3) of the Finance Act 2021⁽²⁾.

In accordance with section 51(1)(a) of the Taxation (Cross-border Trade) Act 2018, the Treasury consider it appropriate to make provision in regulation 4 relating to value added tax in consequence of, or otherwise in connection with, the withdrawal of the United Kingdom from the EU.

In accordance with section 96(1)(a) of the Finance Act 2021, the Treasury consider it appropriate in relation to the Protocol on Ireland/Northern Ireland in the EU withdrawal agreement⁽³⁾ to make provision in these Regulations relating to value added tax for the purposes of, or in connection with, giving effect to Council Directive (EU) 2017/2455⁽⁴⁾ of 5 December 2017 amending [Directive 2006/112/EC](#)⁽⁵⁾ and [Directive 2009/132/EC](#)⁽⁶⁾ as regards certain value added tax obligations for supplies of services and distance sales of goods.

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

(2) [2021 c. 26](#).

(3) See the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community 2019/C 384 1/01 at <https://www.legislation.gov.uk/eut/withdrawal-agreement/contents/adopted>.

(4) OJ L 348, 29.12.2017, p. 7-22. This Directive amended Council Directive (EU) [2006/112/EC](#) to make provision in relation to distance selling. Further provision amending Council Directive (EU) [2006/112/EC](#) has been made in connection with distance selling in Council Directive (EU) 2019/1995 of 21 November 2019 (OJ L 310, 2.12.2019, p. 1-5).

(5) OJ L 347, 11.12.2006, p. 1-118, as last amended by Council Directive (EU) 2021/1159 of 13 July 2021 (OJ L 250, 15.7.2021).

(6) OJ L 292, 10.11.2009, p. 5-30.

Citation and Commencement

1. These Regulations may be cited as the Value Added Tax (Distance Selling and Miscellaneous Amendments No. 2) Regulations 2021 and come into force on 1st December 2021.

Amendments to Schedule 9ZA to the Value Added Tax Act 1994

2. Schedule 9ZA to the Value Added Tax Act 1994(7) (VAT on acquisitions in Northern Ireland from member States) is amended as follows.

3. In paragraph 7(3) (identification of persons for the purposes of VAT in Northern Ireland), after paragraph (a) (but before the “or”) insert—

“(aa) the person is registered under the OSS scheme or a participant in a non-UK scheme within the meaning of Schedule 9ZD,”.

4. In paragraph 18A(2)(c), for “paragraph 80” substitute “paragraph 81”.

5. In paragraph 48(8)(b) (liability to be registered), omit “(and references to a “third country” and “third territory” were read accordingly as including Great Britain)”.

Amendment to Schedule 9ZB to the Value Added Tax Act 1994

6. In Schedule 9ZB to the Value Added Tax Act 1994(8) (goods removed to or from Northern Ireland and supply rules), in paragraph 29(1)(c)(iii) (distance selling between EU and Northern Ireland: place of supply) after “or” insert “a participant in”.

Amendments to Schedule 9ZC to the Value Added Tax Act 1994

7.—(1) In Schedule 9ZC to the Value Added Tax Act 1994(9) (online sales by overseas persons and low value importations: modifications relating to the Northern Ireland Protocol), in paragraph 1B, inserted section 5B (supplies of goods in Northern Ireland facilitated by online marketplaces: deemed supply) is amended as follows.

(2) In subsection (1)(c), for “IOSS” substitute “special”.

(3) In subsection (3)—

(a) in the words before paragraph (a), for “IOSS” substitute “special”;

(b) in paragraph (c), for “registered under” substitute “a participant in a special scheme within the meaning of”.

(4) In subsection (4)—

(a) in the words before paragraph (a), for “IOSS” substitute “special”;

(b) in paragraph (b) after “Great Britain” insert “or the Isle of Man”.

(5) In subsection (6)(a) after “Great Britain” insert “or the Isle of Man”.

(7) 1994 c. 23. Schedule 9ZA was inserted by Part 1 of Schedule 2 to the Taxation (Post-Transition Period) Act 2020 (c. 26), paragraph 48(8) to (10) was inserted into that Schedule by Part 1 of Schedule 18 to the Finance Act 2021 and paragraph 18A was inserted by S.I. 2020/1544.

(8) Schedule 9ZB was inserted by Part 1 of Schedule 2 to the Taxation (Post-Transition Period) Act 2020 and paragraph 29(1)(c)(iii) was inserted into that Schedule by Part 1 of Schedule 18 to the Finance Act 2021.

(9) Schedule 9ZC was inserted by Part 2 of Schedule 3 to the Taxation (Post-Transition Period) Act 2020 and paragraph 1B was inserted into that Schedule by Part 4 of Schedule 18 to the Finance Act 2021.