



VALUE ADDED TAX ACT 1996

VALUE ADDED TAX (AMENDMENT) (No. 2) REGULATIONS 2007

Laid before Tynwald

17th April 2007

Coming into operation

1st May 2007

In exercise of the powers conferred on the Treasury by sections 25(1), 26(1), (3) and (4), 30(8), 58, 58B and 58C of, and paragraph 2(1) and (11) of Schedule 12 to, the Value Added Tax Act 1996^(a), and of all other powers enabling it in that behalf, the following Regulations are hereby made:-

Citation and commencement

1. (1) These Regulations may be cited as the Value Added Tax (Amendment) (No. 2) Regulations 2007.
- (2) These Regulations shall come into operation on 1st May 2007.

Amendment

2. The Value Added Tax Regulations 1996^(b) shall be amended in accordance with the following regulations.
3. (1) In paragraph (1) of regulation 25 the expression "(Form 4)" shall be inserted immediately after "these Regulations".
- (2) In paragraph (4) of regulation 25 the expression "(Form 5)" shall be inserted immediately after "these Regulations".
- (3) The following paragraphs shall be inserted immediately after paragraph (4) of regulation 25 –

"(4A) A person may make a return required by this regulation on an electronic version of Form 4 or Form 5 (as appropriate) using electronic communications.

(4B) Such a method of making a return shall be referred to in this Part as an "electronic return system".

(4C) A person may only make a return by way of an electronic return system on condition that –

^(a) 1996 c.1.

^(b) S.D. No. 194/96.

- (a) the electronic return system in question takes a form approved by the Treasury in a specific or general direction; and
- (b) that person remains authorised by the Treasury in accordance with paragraph (4G).

(4D) No return shall be treated as having been made under paragraph (4A) unless the conditions imposed by paragraph (4C) are satisfied.

(4E) An electronic return system shall incorporate an electronic validation process.

(4F) Subject to paragraph (4D) –

- (a) the use of an electronic return system shall be proved to have resulted in the making of the return to the Treasury only if this has been successfully recorded as such by the relevant electronic validation process;
- (b) the time of making the return to the Treasury using an electronic return system shall be conclusively presumed to be the time recorded as such by the relevant electronic validation process; and
- (c) the person making the return to the Treasury shall be presumed to be the person identified as such by any relevant feature of the electronic return system.

(4G) The Treasury may on application authorise a person to make returns using an electronic return system and may revoke any such authorisation.

(4H) The Treasury shall pay proper regard to the following factors before authorising a person or revoking an authorisation under paragraph (4G) –

- (a) the state of development of any relevant electronic return system;
- (b) the protection of the revenue;
- (c) the degree of compliance of the person concerned with this Part; and
- (d) any other relevant factor.

(4I) A person shall not be authorised to make returns using an electronic return system only by reason of being –

- (a) registered under regulation 6 in substitution for a person who has been so authorised (transfer of a going concern); or
- (b) required by the Treasury under regulation 30 to comply with the requirements of this Part (person acting in a representative capacity).

(4J) The electronic versions of Forms 4 and 5 shall not differ in any material respect from those in Schedule 1 to these Regulations but may include relevant modifications.

(4K) Paragraphs (1) and (4) shall have effect in relation to a return made by way of an electronic return system as if the expression “, signed by him,” were omitted.

(4L) Paragraphs (4A) to (4K) shall not be taken as affecting any provision except in relation to the means of making a return to the Treasury.”.

4. The following shall be inserted immediately after paragraph (2) of regulation 40 –

“(2A) Where a return is made in accordance with regulation 25 using an electronic return system, the relevant payment to the Treasury required by paragraph (2) may be made by means of electronic communications that are acceptable to the Treasury for this purpose.”.

Made this 28th day of February 2007



Minister for the Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Value Added Tax Regulations 1996 (“the principal Regulations”).

Regulation 3 amends regulation 25 of the principal Regulations. Provision is accordingly made for persons who apply to and are authorised by the Treasury to make their VAT returns using approved forms of electronic communications (which could include the Internet). Certain formalities are provided for to take account of the special characteristics of electronic communications.

Regulation 4 amends regulation 40 of the principal Regulations so that a person making a VAT return using electronic communications may also make the corresponding payment electronically.

