

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2021, Cross Heading: Value Added Tax Act 1994. (See end of Document for details)

SCHEDULES

SCHEDULE 27

SCHEDULES 24 TO 26: CONSEQUENTIAL PROVISION

Value Added Tax Act 1994

15 VATA 1994 is amended as follows.

Commencement Information

- I1** Sch. 27 para. 15 in force at 1.1.2023 for specified purposes by S.I. 2022/1278, reg. 2(3)(4)(a)
I2 Sch. 27 para. 15 in force at 6.4.2024 for specified purposes by S.I. 2024/440, reg. 2

16 In the italic heading before section 59, omit “Default surcharge and other”.

Commencement Information

- I3** Sch. 27 para. 16 in force at 1.1.2023 for specified purposes by S.I. 2022/1278, reg. 2(3)(4)(a)
I4 Sch. 27 para. 16 in force at 6.4.2024 for specified purposes by S.I. 2024/440, reg. 2

17 Omit sections 59 to 59B (default surcharge).

Commencement Information

- I5** Sch. 27 para. 17 in force at 1.1.2023 for specified purposes by S.I. 2022/1278, reg. 2(3)(4)(a)
I6 Sch. 27 para. 17 in force at 6.4.2024 for specified purposes by S.I. 2024/440, reg. 2

18 (1) Section 69 (breaches of regulatory provisions) is amended as follows.

(2) In subsection (4)(a), for “for a surcharge under section 59 or 59A” substitute “to a penalty point or a penalty under Schedule 24 to the Finance Act 2021”.

(3) In subsection (9)—

- (a) omit paragraph (b) and the “or” at the end of that paragraph;
(b) after paragraph (c) insert “or
(d) a person is awarded a penalty point or assessed to a penalty under Schedule 24 to the Finance Act 2021,”.

Commencement Information

- I7** Sch. 27 para. 18 in force at 1.1.2023 for specified purposes by S.I. 2022/1278, reg. 2(3)(4)(a)
I8 Sch. 27 para. 18 in force at 6.4.2024 for specified purposes by S.I. 2024/440, reg. 2

19 In section 71 (construction of sections 59 to 70), in the heading and in subsections (1) and (2), for “59” substitute “60”.

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Commencement Information

- I9** Sch. 27 para. 19 in force at 1.1.2023 for specified purposes by S.I. 2022/1278, reg. 2(3)(4)(a)
I10 Sch. 27 para. 19 in force at 6.4.2024 for specified purposes by S.I. 2024/440, reg. 2

- 20 (1) Section 76 (assessment of amounts due by way of penalty, interest or surcharge) is amended as follows.
- (2) In the heading, for “penalty, interest or surcharge” substitute “penalty or interest”.
- (3) In subsection (1)—
- omit paragraph (a) and the “or” at the end of that paragraph;
 - in the words after paragraph (d), for “penalty, interest or surcharge” substitute “penalty or interest”.
- (4) In subsection (3)—
- in the words before paragraph (a), for “penalties, interest and surcharge” substitute “penalties and interest”;
 - omit paragraph (a).
- (5) In subsection (4), for “penalty, interest or surcharge”, in both places, substitute “penalty or interest”.
- (6) In subsection (5), for “penalty, interest or surcharge”, in both places, substitute “penalty or interest”.

Commencement Information

- I11** Sch. 27 para. 20 in force at 1.1.2023 for specified purposes by S.I. 2022/1278, reg. 2(3)(4)(a)
I12 Sch. 27 para. 20 in force at 6.4.2024 for specified purposes by S.I. 2024/440, reg. 2

- 21 In section 77 (assessments: time limits and supplementary assessments), in subsections (2), (3) and (5), for “penalty, interest or surcharge” substitute “penalty or interest”.

Commencement Information

- I13** Sch. 27 para. 21 in force at 1.1.2023 for specified purposes by S.I. 2022/1278, reg. 2(3)(4)(a)
I14 Sch. 27 para. 21 in force at 6.4.2024 for specified purposes by S.I. 2024/440, reg. 2

- 22 In section 81 (interest given by way of credit and set-off of credits), in subsections (3)(b) and (3A)(c), for “penalty, interest or surcharge” substitute “penalty or interest”.

Commencement Information

- I15** Sch. 27 para. 22 in force at 1.1.2023 for specified purposes by S.I. 2022/1278, reg. 2(3)(4)(a)
I16 Sch. 27 para. 22 in force at 6.4.2024 for specified purposes by S.I. 2024/440, reg. 2

- 23 In section 83 (appeals), in subsection (1)—
- in paragraph (n)—
 - omit “or surcharge”;

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- (ii) for “59” substitute “ 60 ”;
- (b) in paragraph (q), for “penalty, interest or surcharge” substitute “ penalty or interest ”.

Commencement Information

- I17** Sch. 27 para. 23 in force at 1.1.2023 for specified purposes by S.I. 2022/1278, reg. 2(3)(4)(a)
I18 Sch. 27 para. 23 in force at 6.4.2024 for specified purposes by S.I. 2024/440, reg. 2

- 24 In section 83F (nature of review etc), after subsection (5) insert—
- “(5A) See section 83FA concerning additional conclusions a review can reach in the case of penalties under Schedule 24 to the Finance Act 2021.”

Commencement Information

- I19** Sch. 27 para. 24 in force at 1.1.2023 for specified purposes by S.I. 2022/1278, reg. 2(3)(4)(a)
I20 Sch. 27 para. 24 in force at 6.4.2024 for specified purposes by S.I. 2024/440, reg. 2

- 25 After section 83F insert—

“83FA Nature of review: penalties under Schedule 24 to FA 2021

- (1) This section applies if HMRC are required, by virtue of paragraph 23(1) of Schedule 24 to the Finance Act 2021, to undertake a review under section 83C or 83E of a penalty decision in respect of which an appeal lies under paragraph 22(b) of that Schedule.
- (2) The review may also conclude that HMRC's decision that P was liable to any of the penalty points by virtue of which P was liable to the penalty in respect of which the appeal lies is to be—
- (a) upheld, or
- (b) cancelled.
- (3) Subsection (2) applies in relation to a penalty point even if the time limit for appealing against it expired before the relevant date.
- (4) Subsection (2) does not apply in relation to a penalty point if—
- (a) it was concluded on an earlier review required to be undertaken under section 83C or 83E that HMRC's decision that P was liable to the penalty point was to be upheld, or
- (b) HMRC's decision that P was liable to the penalty point has been affirmed on appeal.
- (5) In subsection (3) “relevant date” has the same meaning as in section 83F(6) (see section 83F(7)).”

Commencement Information

- I21** Sch. 27 para. 25 in force at 1.1.2023 for specified purposes by S.I. 2022/1278, reg. 2(3)(4)(a)
I22 Sch. 27 para. 25 in force at 6.4.2024 for specified purposes by S.I. 2024/440, reg. 2

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26 After section 83FA (inserted by paragraph 25) insert—

“83FB Effect of conclusions of review: penalties under Schedule 24 to FA 2021

- (1) If the conclusions of a review include conclusions reached by virtue of section 83FA and the conclusions of the review are final, sub-paragraphs (4) and (5) of paragraph 24 of Schedule 24 to the Finance Act 2021 apply but with the following modifications—
- (a) references to the appeal under paragraph 22(b) of that Schedule are to be read as references to the review required to be undertaken under section 83C or 83E (as the case may be),
 - (b) references to the tribunal are to be read as references to HMRC, and
 - (c) references to cancelling a decision are to be read as references to concluding that HMRC's decision is to be cancelled.
- (2) For the purposes of subsection (1) the conclusions of a review are to be treated as final only if the period specified in subsection (3)(b), (4)(b) or (5) of section 83G for appealing the reviewed decision has ended and no appeal has been made within that period.”

Commencement Information

- I23** Sch. 27 para. 26 in force at 1.1.2023 for specified purposes by S.I. 2022/1278, reg. 2(3)(4)(a)
I24 Sch. 27 para. 26 in force at 6.4.2024 for specified purposes by S.I. 2024/440, reg. 2

- 27 In section 84 (further provisions relating to appeals), in subsection (6)—
- (a) for “penalty, interest or surcharge” substitute “ penalty or interest ”;
 - (b) for “59” substitute “ 60 ”.

Commencement Information

- I25** Sch. 27 para. 27 in force at 1.1.2023 for specified purposes by S.I. 2022/1278, reg. 2(3)(4)(a)
I26 Sch. 27 para. 27 in force at 6.4.2024 for specified purposes by S.I. 2024/440, reg. 2

- 28 In Schedule 13 (transitional provisions and savings), omit paragraph 14.

Commencement Information

- I27** Sch. 27 para. 28 in force at 1.1.2023 for specified purposes by S.I. 2022/1278, reg. 2(3)(4)(a)
I28 Sch. 27 para. 28 in force at 6.4.2024 for specified purposes by S.I. 2024/440, reg. 2

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