

## New Clause 18: VAT and distance selling: power to make further provision

### Summary

1. This clause introduces a power for the Treasury to make further provision in regulations and sets out the applicable parliamentary procedure. Such regulations, insofar as they amend an Act of Parliament, must be laid before the House of Commons and approved within 28 days by a resolution of the House of Commons or they cease to have effect.

### Details of the clause

2. Subsection 1 provides that the Treasury may by regulations, made by statutory instrument, make such provision relating to Value Added Tax (VAT) as they consider appropriate in relation to the Protocol on Northern Ireland for the purposes of, or in connection with, giving effect to Council Directive (EU) 2017/2455 which amends Directive 2006/112/EC (the Principal VAT Directive) and Directive 2009/132/EC as regards certain VAT obligations in respect of supplies of services and distance sales. It also provides that the Treasury may by regulations, made by statutory instrument, make such provision for the purposes of dealing with matters arising out of, or related to, that Directive.
3. Subsection 2 provides that no regulations under this section may be made on or after 1 April 2024.
4. Subsection 3 provides these regulations may make any provision which may be made by an Act of Parliament, including amending or repealing legislation made by this Act, but cannot take effect from a date earlier than that of the making of the regulations.
5. Subsection 4 provides that a statutory instrument containing regulations made under this section that amend or repeal any Act of Parliament must be laid before the House of Commons.
6. Subsection 5 provides that regulations under subsection 4 cease to have effect after 28 days beginning on the date the instrument is made unless approved by a resolution by the House of Commons before the 28 days expire.
7. Subsection 6 determines that in calculating the 28-day period referred to in subsection 3, no account is to be taken of any whole days that fall within a period where Parliament is dissolved, prorogued or the House of Commons is adjourned for more than four days.
8. Subsection 7 determines that if regulations cease to have effect as a result of subsection 5, that does not affect the validity of anything previously done under or

by virtue of the instrument nor does it prevent the making of new regulations.

9. Subsection 8 determines a statutory instrument containing regulations made under this section to which subsection 4 does not apply is subject to annulment in pursuance of a resolution of the House of Commons.
10. Subsection 9 confirms this clause comes into effect on the day this Act is passed.

## Background note

11. These powers provide the ability to respond quickly to make changes to the implementation of the two special accounting schemes in Northern Ireland and to deal with connected matters. This will ensure the rules work effectively, providing certainty and minimizing any burdens on those who may be affected.
12. The use of these powers, where they amend or repeal part of an Act of Parliament, will be subject to a debate in the House of Commons so ensuring appropriate parliamentary scrutiny of use of these powers.