

## VAT Measures UK Budget 2016

The following measures target non-EU VAT fraudulent sellers:

- The obligation of fraudulent sellers to appoint UK VAT agents - <https://www.gov.uk/government/publications/vat-revalorisation-of-registration-and-deregistration-thresholds>
- The agents will be responsible for UK VAT registering the e-commerce sellers, and filing VAT returns and remittances;
- If no agent is appointed, then the UK may make the e-commerce platforms liable for any missing VAT; and
- Fulfilment houses to apply a new due diligence regime to detect VAT fraud in this area on behalf of HMRC.

### Other VAT developments

In addition, HMRC have published policy papers concerning various measures. A selection is as follows:

- Revalorization of registration and deregistration thresholds: This tax information and impact note applies to small businesses which are either currently outside the VAT regime, or are registered for VAT, and make taxable supplies below the current thresholds. The measure will increase the registration and deregistration thresholds for VAT and EU acquisitions in line with inflation, raise the turnover limit for Income Tax self-assessment "3 line accounts" to align with the VAT registration threshold.
- Representatives for overseas businesses and joint and several liability for online marketplaces: This tax information and impact note applies to overseas businesses, selling goods to UK consumers via online marketplaces, and businesses that control and support the sale of such goods. This measure gives HMRC strengthened powers, to tackle the non-compliance from some overseas businesses that avoid paying UK VAT on sales of goods made to UK consumers, via online marketplaces.
- Overseas businesses and joint and several liability for online marketplaces: This guidance note explains how HMRC is strengthening existing VAT legislation for overseas businesses that should be registered for VAT in the UK. It gives HMRC greater flexibility in relation to when it can require some form of security. In addition, HMRC will also be given new powers to make online marketplaces jointly and severally liable for the unpaid VAT of overseas businesses who are non-compliant with UK VAT rules.

<https://www.gov.uk/government/publications/vat-revalorisation-of-registration-and-deregistration-thresholds>

<https://www.gov.uk/government/publications/vat-representatives-for-overseas-businesses-and-joint-and-several-liability-for-online-marketplaces>

<https://www.gov.uk/government/publications/vat-overseas-businesses-and-joint-and-several-liability-for-online-marketplaces>