STATUTORY INSTRUMENTS

2026 No. 765

VALUE ADDED TAX

The Value Added Tax (Amendment) Regulations 2026

Made - - - -	*7th July 2026*
Laid before the House of Commons - - - -	*8th July 2026*
Coming into force - -	*29th July 2026*

The Commissioners for His Majesty's Revenue and Customs make these Regulations in exercise of the powers conferred by section 26(3) and (4) of, and paragraph 15(4) of Schedule 9ZA to, the Value Added Tax Act 1994(**1**).

Citation, commencement and effect

1.—(1) These Regulations may be cited as the Value Added Tax (Amendment) Regulations 2026.

(2) These Regulations come into force on 29th July 2026.

(3) Regulation 2 has no effect in relation to a capital item if the owner incurred any relevant expenditure on or in relation to that capital item in respect of—

(a) goods or services supplied to the owner before 29th July 2026,

(b) goods imported by the owner before 29th July 2026, or

(c) goods acquired from a member State by the owner before 29th July 2026.

(4) In this regulation—

(**1**) 1994 c. 23 ("the Act"). Section 96(1) defines "the Commissioners" as meaning "the Commissioners of Customs and Excise" and "regulations" as meaning regulations made by the Commissioners under the Act. The functions of the Commissioners of Customs and Excise were transferred to the Commissioners for His Majesty's Revenue and Customs by section 5 of the Commissioners for Revenue and Customs Act 2005 (c. 11), section 50(1) of which provides that a reference to the Commissioners of Customs and Excise shall be taken as a reference to the Commissioners for His Majesty's Revenue and Customs. Section 26(4) was amended by paragraph 2 of Schedule 8 to the Finance (No. 3) Act 2010 (c. 33). Section 26 was amended by paragraph 26 of Schedule 8 to the Taxation (Cross-border Trade) Act 2018 (c. 22) to omit the word "acquisitions" in subsection (1). That amendment came into force on IP completion day by virtue of regulation 4 of S.I. 2020/1642 but does not have effect in relation to acquisitions taking place before IP completion day by virtue of regulation 3(1) of S.I. 2019/105, as amended by S.I. 2020/1495. Schedule 9ZA to the Act was inserted by paragraph 2 of Schedule 2 to the Taxation (Post-transition Period) Act 2020 (c. 26) and paragraph 15(4) of Schedule 9ZA provides that section 26(1) has effect as if the reference to "input tax on supplies and importations" includes input tax on acquisitions in Northern Ireland from a member State.

"capital item" has the meaning given in regulation 112(2) of the Value Added Tax Regulations 1995 (interpretation of Part 15)(**2**), as determined immediately before regulation 2 came into force;

"owner" has the meaning given by regulation 112(2) of the Value Added Tax Regulations 1995;

"relevant expenditure" means VAT bearing capital expenditure of a type specified in regulation 113(3) of the Value Added Tax Regulations 1995, as that provision read immediately before regulation 2 came into force.

Amendment of the Value Added Tax Regulations 1995

2.—(1) The Value Added Tax Regulations 1995 are amended as follows.

(2) In regulation 113 (capital items to which Part 15 applies)—

(a) in paragraph (2), omit sub-paragraph (d);

(b) in paragraph (3)(a), omit "or (d)";

(c) in paragraph (4)—

(i) in sub-paragraph (a), for "£250,000" substitute "£600,000";

(ii) in sub-paragraph (b), for "(2)(d), (e) or (f)" substitute "(2)(e) or (f)".

(3) In regulation 113A (grant of facilities for the self storage of goods under item 1(ka) of Group 1 of Schedule 9 to the Value Added Tax Act 1994), in paragraph (2)(a), for "£250,000" substitute "£600,000".

(4) In regulation 114 (period of adjustment), in paragraph (3)(b), for "regulation 113(2)(d) to (f)" substitute "regulation 113(2)(e) or (f)".

Myrtle Lloyd
Justin Holliday
Two of the Commissioners for His Majesty's Revenue and Customs

7th July 2026

(**2**) S.I. 1995/2518; relevant amending instruments are S.I. 1997/1614, 2010/3022, 2011/254 and 2012/1899.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend Part 15 of the Value Added Tax Regulations 1995 to remove a computer or an item of computer equipment from the list of capital items to which the Part applies. These Regulations also change to £600,000 the minimum value of the VAT bearing capital expenditure at which land, a building or part of a building and a civil engineering work or part of a civil engineering work are capital items to which Part 15 applies.

Regulation 1(3) provides for exclusions from the effect of the amendments set out in regulation 2.

Regulation 2(3) and (4) make consequential amendments.

A Tax Information and Impact Note covering this instrument will be published on the website at https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins.