

**S.I. No. 219 of 2002**

**REGULATIONS**

entitled

**Value-Added Tax (Amendment) (Property Transactions) Regulations 2002**

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made by the  
Revenue Commissioners

VALUE-ADDED TAX (AMENDMENT) (PROPERTY TRANSACTIONS)

REGULATIONS 2002

S.I. No. 219 of 2002

The Revenue Commissioners, in exercise of the powers conferred on them by section 32 of the Value-Added Tax Act 1972 (No. 22 of 1972) make the following regulations:

1. These Regulations may be cited as the Value-Added Tax (Amendment) (Property Transactions) Regulations 2002.
2. In these Regulations the “Regulations of 1979” means the Value-Added Tax Regulations 1979 (S.I. No. 63 of 1979).
3. Regulation 4 of the Regulations of 1979 is amended—
  - (a) in paragraph (1)—
    - (i) by deleting “or (x)”,
    - (ii) in subparagraph (b) by inserting “and” after “registration number;”,
    - (iii) by deleting subparagraph (c), and
    - (iv) by renumbering subparagraph (d) as subparagraph (c),

- (b) in paragraph (2)—
  - (i) by substituting “(c)” for “(d)”,
  - (ii) by substituting “paragraph (iv) of the First Schedule” for “the paragraph or paragraphs referred to in subparagraph (c) of the said preceding paragraph”, and
  - (iii) by substituting “paragraph (iv) of the First Schedule were not so specified” for “the paragraph or paragraphs referred to in paragraph (1)(c) were not specified in the said First Schedule”,
- (c) in paragraph (2A) by substituting “subparagraph (c) of paragraph (1). However, no application under this paragraph may be made in respect of any disposal of an interest in immovable goods which is deemed to be a letting of immovable goods to which paragraph (iv) of the First Schedule applies by virtue of section 4(3A)(a)(ii) of the Act.” for “subparagraph (d) of paragraph (1).”,
- (d) in paragraph (2H) in the definition of “back-dating”, by substituting “(c)” for “(d)”,
- (e) in paragraph (3)—
  - (i) by deleting “or (x)”,
  - (ii) by substituting the following for subparagraph (a):
    - “(a) he shall notify the Revenue Commissioners in writing that he desires to have the waiver of his right to exemption cancelled;”,

(iii) by substituting the following for subparagraph (b)(i):

“(i) the tax paid by him in accordance with section 19(3) of the Act in respect of or in relation to the supply of services by him to which the waiver applied for all taxable periods comprised in the period commencing with the beginning of the first taxable period for which his waiver had effect and ending with the termination of the taxable period immediately preceding that during which he notifies the Revenue Commissioners that he desires to have his waiver cancelled, and”,

(iv) in subparagraph (b)(ii)—

(I) by inserting “deducted or deductible by him” after “the total amount of tax”, and,

(II) by deleting “, or in case such total amount is referable partly to services specified in the paragraphs referred to in the notification aforesaid and partly to the supply of goods or other services, the amount included in such total amount which is referable to the services specified”,

and

(v) by substituting the following subparagraph for subparagraph (c):

“(c) he shall pay to the Collector-General an amount equal to the excess (if any) of the tax referred to in subparagraph (b)(ii) over the tax referred to in subparagraph (b)(i).”,

(f) in paragraph (4) by deleting “specified in the paragraph or paragraphs”,

and

(g) by deleting paragraph (6) with effect from 1 November 2002.

4. With effect from 25 March 2002, Regulation 19 of the Regulations of 1979 is amended in paragraph (1)—

(a) in subparagraph (b) by inserting “and” after “of an interest,”,

(b) in subparagraph (c) by deleting “and”,

(c) by deleting subparagraph (d),

(d) by deleting “, whichever is the lower”,

and

(e) by substituting the following for the proviso:

“However, where the rent payable in respect of the interest so created is less than the unencumbered rent in respect of that interest, the value of the rent to be included in the consideration for the purpose of ascertaining the open market price of the interest disposed of shall be calculated using the unencumbered rent.”.

GIVEN the 24 May 2002

JOSEPHINE FEEHILY.  
Revenue Commissioner.

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## EXPLANATORY NOTE

(This note is not part of the Instrument and does not purport to be a legal interpretation.)

These Regulations amend and update Regulations 4 and 19 of the Value-Added Tax Regulations, 1979.

Regulation 4 is amended to provide that a person cannot backdate his or her waiver of a right to exemption from VAT in relation to certain lettings of immovable goods. The review period in relation to the cancellation of a waiver of exemption is deleted with effect from 1 November 2002. There are also several amendments to reword provisions and update cross-references.

Regulation 19 is amended to remove the condition regarding the five year rent review and to allow either of two methods of valuing a leasehold interest in immovable goods. The proviso to paragraph (1) is also reworded for the purpose of improved clarity.