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SCHEDULES

SCHEDULE 6

VALUE ADDED TAX

PART I

SUBSTANTIVE AMENDMENTS OF FINANCE ACT 1972 (C. 41), PART I

- 3 In section 8 of the 1972 Act (place of supply) the words " or services" in subsection (1), and subsections (4) to (7), shall be omitted ; and after that section there shall be inserted—

“8A Place of supply (services).

- (1) A supply of services is treated as made—
- (a) in the United Kingdom if the supplier belongs in the United Kingdom ; and
 - (b) in another country (and not in the United Kingdom), if the supplier belongs in that other country;
- and the following subsections apply for determining, in relation to any supply of services, whether the supplier or, as the case may be, the recipient belongs in one country or another.
- (2) If the supply is made to an individual in his private capacity (meaning that it is received otherwise than for the purposes of any business carried on by him), he is treated as belonging in whatever country he has his usual place of residence.
- (3) Otherwise, a person is treated as belonging in a country if—
- (a) he has there a business establishment or some other fixed establishment and no such establishment elsewhere ; or
 - (b) he has no such establishment (there or elsewhere) but his usual place of residence is there; or
 - (c) he has such establishments both in that country and elsewhere, and he is the supplier of the services, and the establishment of his which is most directly concerned with the supply is there ; or
 - (d) he has such establishments both in that country and elsewhere, and he is the recipient of the services, and the establishment of his at which, or for the purposes of which, the services are most directly used or to be used is in that country.
- (4) For the purposes of subsections (2) and (3) above (but not for any other purposes)—
- (a) a person carrying on a business through a branch or agency in any country is treated as having a business establishment there ; and

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- (b) " usual place of residence ", in relation to a body corporate, means the place where it is legally constituted.
- (5) The Treasury may by order provide, in relation to services generally or to particular services specified in the order, for varying the rules for determining where a supply of services is made.

8B Reverse charge on supplies received from abroad.

- (1) The following applies where—
 - (a) services of any of the descriptions specified in Schedule 2A to this Act are supplied by a person who belongs in a country other than the United Kingdom ; and
 - (b) they are received by a taxable person for the purposes of any business carried on by him, and he belongs in the United Kingdom.
- (2) All the same consequences follow under this Part of this Act (and particularly so much as charges tax on a supply and entitles a taxable person to credit for input tax) as if the taxable person had himself supplied the services in the United Kingdom in the course or furtherance of his business, and that supply were a taxable supply.
- (3) But subsection (2) does not operate where the services are within any of the descriptions specified in Schedule 5 to this Act (exemptions); and supplies which are treated as made by a taxable person under that subsection are not to be taken into account as supplies made by him, when determining the allowance of input tax in his case under section 4(1).
- (4) In applying subsection (2), the supply of services treated as made by the taxable person is assumed to have been made—
 - (a) for whatever consideration the services were in fact supplied to him ; and
 - (b) at a time to be determined in accordance with regulations prescribing rules for attributing a time of supply in cases within that subsection.
- (5) The Treasury may by order add to, or vary, Schedule 2A.”