Value Added Tax Act 1983

1983 CHAPTER 55

An Act to consolidate the enactments relating to value added tax. [26th July 1983]

Be it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

Modifications etc. (not altering text)

C1 Act modified (1.8.1992) by S.I. 1980/442, **art. 5(3A)** (as inserted by S.I. 1992/627, **arts. 2(d)**).

C2 Act modified by Finance Act 1986 (c. 41, SIF 40:2), **ss. 9(5)**, 14(6) and Finance Act 1988 (c. 39, SIF 40:2), **s. 21(a)**; S.I. 1989/472, **art. 3(1)**; S.I. 1987/1806, **art. 10(1)** (as substituted by S.I. 1990/751, **art. 4**)

C3 Act extended (1.1.1993) by Finance (No. 2) Act 1992 (c. 48), **s. 14(1)(b)**; S.I. 1992/3261, **art. 3**,Sch. (with art. 4).

C4 Act amended (1.7.1994) by 1994 c. 9, **s. 7(2)(b)** (with s. 19(3)); S.I. 1994/1690, **art. 2**
Act amended (retrospectively) by 1997 c. 16, **s. 35(3)(4)**

Imposition and extent of tax

1 Value added tax.

A tax, to be known as value added tax, shall be charged in accordance with the provisions of this Act on the supply of goods and services in the United Kingdom (including anything treated as such a supply) and on the importation of goods into the United Kingdom.

2 Scope of tax.

(1) Tax shall be charged on any supply of goods or services made in the United Kingdom, where it is a taxable supply made by a taxable person in the course or furtherance of any business carried on by him.

Status: *Point in time view as at 01/02/1991. This version of this Act contains provisions that are not valid for this point in time.*
Changes to legislation: *There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)*

(2) A person who makes or intends to make taxable supplies is a taxable person while he is or is required to be registered under this Act; and a taxable supply is a supply of goods or services made in the United Kingdom other than an exempt supply.

(3) Tax on any supply of goods or services is a liability of the person making the supply and (subject to provisions about accounting and payment) becomes due at the time of supply.

(4) Tax on the importation of goods shall be charged and payable as if it were a duty of customs.

(5) Schedule 1 to this Act shall have effect with respect to registration **[**[F1], and a person who is registered under **[**[F2]paragraph 5A**]**of that Schedule is a taxable person (notwithstanding that he does not make and does not intend to make taxable supplies)**]**.

Textual Amendments

F1 Words added by Finance Act 1987 (c. 16, SIF 40:2), **s. 13(2)**

F2 Words substituted by Finance Act 1988 (c. 39, SIF 40:2), **s. 14(8)(a)**

VALID FROM 01/01/1993

[[F3]**2A Scope of tax on acquisitions.**

(1) Tax shall be charged on any acquisition from another member State of any goods where—

(a) the acquisition is a taxable acquisition and takes place in the United Kingdom;

(b) the acquisition is otherwise than in pursuance of a taxable supply; and

(c) the person who makes the acquisition is a taxable person or the goods are subject to a duty of excise or consist in a new means of transport.

(2) An acquisition of goods from another member State is a taxable acquisition if—

(a) it falls within subsection (3) below or the goods consist in a new means of transport; and

(b) it is not an exempt acquisition.

(3) An acquisition of goods from another member State falls within this subsection if—

(a) the goods are acquired in the course or furtherance of—

(i) any business carried on by any person; or

(ii) any activities carried on otherwise than by way of business by any body corporate or by any club, association, organisation or other unincorporated body;

(b) it is the person who carries on that business or, as the case may be, those activities who acquires the goods; and

(c) the supplier—

(i) is taxable in another member State at the time of the transaction in pursuance of which the goods are acquired; and

(ii) in participating in that transaction, acts in the course or furtherance of a business carried on by him.

(4) Tax on any acquisition of goods from another member State is a liability of the person who acquires the goods and (subject to provisions about accounting and payment) becomes due at the time of acquisition.**]**

Textual Amendments

F3 S. 2A inserted (1.1.1993) by Finance (No. 2) Act 1992 (c. 48), s. 14(2), **Sch. 3 Pt. I para. 3(1)**; S.I. 1992/3261, **art. 3**,Sch. (with art. 4).

VALID FROM 01/01/1993

[F4 2B Scope of tax on imports.

(1) Tax on the importation of goods from places outside the member States shall be charged and payable as if it were a duty of customs.

(2) For the purposes of this Act goods are imported from a place outside the member States where—

(a) having been removed from a place outside the member States, they enter the territory of the Community;

(b) they enter that territory by being removed to the United Kingdom or are removed to the United Kingdom after entering that territory; and

(c) the circumstances are such that it is on their removal to the United Kingdom or subsequently while they are in the United Kingdom that any Community customs debt in respect of duty on their entry into the territory of the Community would be incurred.

(3) Accordingly—

(a) goods shall not be treated for the purposes of this Act as imported at any time before a Community customs debt in respect of duty on their entry into the territory of the Community would be incurred; and

(b) the person who is to be treated for the purposes of this Act as importing any goods from a place outside the member States is the person who would be liable to discharge any such Community customs debt.

(4) The preceding provisions of this section shall not apply, except in so far as the context otherwise requires or provision to the contrary is contained in regulations under subsection (1) of section 24 below, for construing any references to importation or to an importer in any enactment or subordinate legislation applied for the purposes of this Act by that subsection.**]**

Textual Amendments

F4 S. 2B inserted (1.1.1993) by Finance (No. 2) Act 1992 (c. 48), s. 14(2), **Sch. 3 Pt. I para. 3(1)**; S.I. 1992/3261, **art. 3**,Sch. (with art. 4)

Status: *Point in time view as at 01/02/1991. This version of this Act contains provisions that are not valid for this point in time.*
Changes to legislation: *There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)*

VALID FROM 01/12/1992

[F5 2C Taxable persons.

(1) A person is a taxable person for the purposes of this Act while he is, or is required to be, registered under this Act.

(2) Schedules 1 to 1B to this Act shall have effect with respect to registration.

(3) Persons registered under any of those Schedules shall be registered in a single register kept by the Commissioners for the purposes of this Act; and, accordingly, references in this Act to being registered under this Act are references to being registered under any of those Schedules.

(4) The Commissioners may by regulations make provision as to the inclusion and correction of information in that register with respect to the Schedule under which any person is registered.**]**

Textual Amendments

F5 S. 2C inserted (1.12.1992) by Finance (No. 2) Act 1992 (c. 48), s. 14(2), **Sch. 3 Pt. I para. 3(1)**; S.I. 1992/2979, art. 4, **Sch. Pt.II** (with art. 5).

Supply

3 Meaning of "supply": alteration by Treasury order.

(1) Schedule 2 to this Act shall apply for determining what is, or is to be treated as, a supply of goods or a supply of services.

(2) Subject to any provision made by that Schedule and to Treasury orders under subsections (3) to (6) below—
   (a) "supply" in this Act includes all forms of supply, but not anything done otherwise than for a consideration;
   (b) anything which is not a supply of goods but is done for a consideration (including, if so done, the granting, assignment or surrender of any right) is a supply of services.

(3) The Treasury may by order provide with respect to any description of transaction—
   (a) that it is to be treated as a supply of goods and not as a supply of services; or
   (b) that it is to be treated as a supply of services and not as a supply of goods; or
   (c) that it is to be treated as neither a supply of goods nor a supply of services;

   and without prejudice to the foregoing, such an order may provide that paragraph 5(3) of Schedule 2 to this Act is not to apply, in relation to goods of any prescribed description used or made available for use in prescribed circumstances, so as to make that a supply of services under that paragraph.

(4) Without prejudice to subsection (3) above, the Treasury may by order make provision for securing, with respect to services of any description specified in the order, that where—

(a) a person carrying on a business does anything which is not a supply of services but would, if done for a consideration, be a supply of services of a description specified in the order; and

(b) such other conditions as may be specified in the order are satisfied,

such services are treated for the purposes of this Act as being supplied by him in the course or furtherance of that business.

(5) The Treasury may by order make provision for securing, subject to any exceptions provided for by or under the order, that where in such circumstances as may be specified in the order goods of a description so specified are acquired or produced by a person in the course or furtherance of a business carried on by him and—

(a) are neither supplied to another person nor incorporated in other goods produced in the course or furtherance of that business; but

(b) are used by him for the purpose of a business carried on by him,

the goods are treated for the purposes of this Act as being both supplied to him for the purpose of that business and supplied by him in the course or furtherance of it.

(6) The Treasury may by order make provision for securing, with respect to services of any description specified in the order, that where—

(a) a person, in the course or furtherance of a business carried on by him, does anything for the purpose of that business which is not a supply of services but would, if done for a consideration, be a supply of services of a description specified in the order; and

(b) such other conditions as may be specified in the order are satisfied,

such services are treated for the purposes of this Act as being both supplied to him for the purpose of that business and supplied by him in the course or furtherance of it.

(7) For the purposes of this section, where goods are manufactured or produced from any other goods those other goods shall be treated as incorporated in the first-mentioned goods.

(8) An order under subsection (4) or (6) above may provide for the method by which the value of any supply of services which is treated as taking place by virtue of the order is to be calculated.

4 Time of supply.

(1) The provisions of this section and section 5 below shall apply for determining the time when a supply of goods or services is to be treated as taking place for the purposes of the charge to tax.

(2) Subject to the provisions of section 5 below, a supply of goods shall be treated as taking place—

(a) if the goods are to be removed, at the time of the removal;

(b) if the goods are not to be removed, at the time when they are made available to the person to whom they are supplied;

(c) if the goods (being sent or taken on approval or sale or return or similar terms) are removed before it is known whether a supply will take place, at the time when it becomes certain that the supply has taken place or, if sooner, 12 months after the removal.

Status: *Point in time view as at 01/02/1991. This version of this Act contains provisions that are not valid for this point in time.*
Changes to legislation: *There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)*

(3) Subject to the provisions of section 5 below, a supply of services shall be treated as taking place at the time when the services are performed.

Modifications etc. (not altering text)

C5 Ss. 4, 5 amended by Customs and Excise Management Act 1979 (c. 2, SIF 40:1), **Pt. VIII**A (as inserted by Finance Act 1984 (c. 43, SIF 40:1), s. 8, **Sch. 4 Pt. I**)

C6 Ss. 4, 5 applied by Finance Act 1990 (c. 29, SIF 40:2), **s. 11(10)**

C7 Ss. 4, 5 excluded by S.I. 1987/1806, **art. 4**

5 Further provisions relating to time of supply.

(1) If, before the time applicable under subsection (2) or subsection (3) of section 4 above, the person making the supply issues a tax invoice in respect of it or if, before the time applicable under paragraph (a) or (b) of subsection (2) or subsection (3) of that section, he receives a payment in respect of it, the supply shall, to the extent covered by the invoice or payment, be treated as taking place at the time the invoice is issued or the payment is received.

(2) If, within 14 days after the time applicable under subsection (2) or subsection (3) of section 4 above, the person making the supply issues a tax invoice in respect of it, then, unless he has notified the Commissioners in writing that he elects not to avail himself of this subsection, the supply shall (to the extent that it is not treated as taking place at the time mentioned in subsection (1) above) be treated as taking place at the time the invoice is issued.

(3) The Commissioners may, at the request of a taxable person, direct that subsection (2) above shall apply in relation to supplies made by him (or such supplies made by him as may be specified in the direction) as if for the period of 14 days there were substituted such longer period as may be specified in the direction.

(4) Where a taxable person provides a document to himself which—

(a) purports to be a tax invoice in respect of a supply of goods or services to him by another taxable person; and

(b) is in accordance with regulations under paragraph 2 of Schedule 7 to this Act treated as the tax invoice required by the regulations to be provided by the supplier,

subsections (2) and (3) above shall have effect in relation to that supply as if—

(i) the provision of the document to himself by the first-mentioned taxable person were the issue by the supplier of a tax invoice in respect of the supply; and

(ii) any notice of election given or request made by the first-mentioned taxable person for the purposes of those provisions had been given or made by the supplier.

(5) The Commissioners may, at the request of a taxable person, by direction alter the time at which supplies made by him (or such supplies made by him as may be specified in the direction) are to be treated as taking place, either—

(a) by directing those supplies to be treated as taking place—

(i) at times or on dates determined by or by reference to the occurrence of some event described in the direction; or

(ii) at times or on dates determined by or by reference to the time when some event so described would in the ordinary course of events occur,

the resulting times or dates being in every case earlier than would otherwise apply; or

(b) by directing that, notwithstanding subsections (2) and (3) above, those supplies shall (to the extent that they are not treated as taking place at the time mentioned in subsection (1) above) be treated as taking place—

(i) at the beginning of the relevant working period (as defined in his case in and for the purposes of the direction); or

(ii) at the end of the relevant working period (as so defined).

(6) Where goods are treated as supplied by an order under section 3(5) above, the supply is treated as taking place when they are appropriated to the use mentioned in that section.

(7) Where there is a supply of goods by virtue only of paragraph 5(1) of Schedule 2 to this Act, the supply is treated as taking place when the goods are transferred or disposed of as mentioned in that paragraph.

(8) Where there is a supply of services by virtue only of paragraph 5(3) of Schedule 2 to this Act, the supply is treated as taking place when the goods are appropriated to the use mentioned in that paragraph.

(9) The Commissioners may by regulations make provision with respect to the time at which (notwithstanding section 4 above and subsections (1) to (3) and (6) to (8) above) a supply is to be treated as taking place in cases where it is a supply—

(a) of goods or services for a consideration the whole or part of which is determined or payable periodically, or from time to time, or at the end of any period; or

(b) of goods for a consideration the whole or part of which is determined at the time when the goods are appropriated for any purpose,

or where there is a supply of services by virtue of paragraph 5(3) of Schedule 2 to this Act or an order under section 3(4) above; and for any such case as is mentioned in this subsection the regulations may provide for goods or services to be treated as separately and successively supplied at prescribed times or intervals.

(10) In this section "tax invoice" means such an invoice as is required under paragraph 2(1) of Schedule 7 to this Act or would be so required if the person to whom the supply is made were a taxable person.

Modifications etc. (not altering text)

C8 Ss. 4, 5 amended by Customs and Excise Management Act 1979 (c. 2, SIF 40:1), **Pt. VIII**A (as inserted by Finance Act 1984 (c. 43, SIF 40:1), s. 8, **Sch. 4 Pt. I**)

C9 Ss. 4, 5 applied by Finance Act 1990 (c. 29, SIF 40:2), **s. 11(10)**

C10 Ss. 4, 5 excluded by S.I. 1987/1806, **art. 4**

6 Place of supply.

(1) This section shall apply for determining, for the purposes of **[**[F6]this Act**]**, whether goods or services are supplied in the United Kingdom.

Status: *Point in time view as at 01/02/1991. This version of this Act contains provisions that are not valid for this point in time.*
Changes to legislation: *There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)*

(2) If the supply of any goods does not involve their removal from or to the United Kingdom they shall be treated as supplied in the United Kingdom if they are in the United Kingdom and otherwise shall be treated as supplied outside the United Kingdom.

(3) If the supply of any goods involves their removal from the United Kingdom they shall be treated as supplied in the United Kingdom and if it involves their removal to the United Kingdom they shall be treated as supplied outside the United Kingdom.

(4) For the purposes of subsections (2) and (3) above, where goods, in the course of their removal from a place in the United Kingdom to another place in the United Kingdom, leave and re-enter the United Kingdom the removal shall not be treated as a removal from or to the United Kingdom.

(5) A supply of services shall be 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.

(6) 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.

Textual Amendments
F6 Words substituted by Finance Act 1987 (c. 16, SIF 40:2), **s. 12(2)(4)**

Modifications etc. (not altering text)
C11 S. 6 modified by S.I. 1987/1806, **art. 5(1)**

7 Reverse charge on supplies received from abroad.

(1) Subject to subsection (3) below, where relevant services are—
  (a) supplied by a person who belongs in a country other than the United Kingdom; and
  (b) received by a **[**[F7]person (in this section referred to as "the recipient")**]**who belongs in the United Kingdom for the purposes of any business carried on by him,

then all the same consequences shall follow under this Act (and particularly so much as charges tax on a supply and entitles a taxable person to credit for input tax) **[**[F8]as if the recipient**]**had himself supplied the services in the United Kingdom in the course or furtherance of his business, and that supply were a taxable supply.

(2) In this section "relevant services" means services of any of the descriptions specified in Schedule 3 to this Act, not being services within any of the descriptions specified in Schedule 6 to this Act.

(3) Supplies which are treated as made by the **[**[F9]recipient**]**taxable person under subsection (1) above are not to be taken into account as supplies made by him when determining **[**[F10]any allowance**]**of input tax in his case under section 15(1) below.

(4) In applying subsection (1) above, the supply of services treated as made by the **[**[F11]recipient**]**shall be 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 3 to this Act.

Textual Amendments

F7 Words substituted by Finance Act 1987 (c. 16, SIF 40:2), s. 19(2), **Sch. 2 para. 1(a)**

F8 Words substituted by Finance Act 1987 (c. 16, SIF 40:2), s. 19(2), **Sch. 2 para. 1(b)**

F9 Words substituted by Finance Act 1987 (c. 16, SIF 40:2), s. 19(2), **Sch. 2 para. 1(c)**

F10 Words substituted by Finance Act 1987 (c. 16, SIF 40:2), s. 19(2), **Sch. 2 para. 1(d)**

F11 Words substituted by Finance Act 1987 (c. 16, SIF 40:1), s. 19(2), **Sch. 2 para. 1(c)**

8 Place where supplier or recipient of services belongs.

(1) Subsection (2) below shall apply for determining, in relation to any supply of services, whether the supplier belongs in one country or another and subsections (3) and (4) below shall apply for determining, in relation to any supply of services, whether the recipient belongs in one country or another.

(2) The supplier of services shall be 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 the establishment of his which is most directly concerned with the supply is there.

(3) If the supply of services is made to an individual and received by him otherwise than for the purposes of any business carried on by him, he shall be treated as belonging in whatever country he has his usual place of residence.

(4) Where subsection (3) above does not apply, the person to whom the supply is made shall be treated as belonging in a country if—

(a) either of the conditions mentioned in paragraphs (a) and (b) of subsection (2) above is satisfied; or

(b) he has such establishments as are mentioned in subsection (2) above both in that country and elsewhere 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.

(5) For the purposes of this section (but not for any other purposes)—

(a) a person carrying on a business through a branch or agency in any country shall be treated as having a business establishment there; and

(b) "usual place of residence", in relation to a body corporate, means the place where it is legally constituted.

Status: *Point in time view as at 01/02/1991. This version of this Act contains provisions that are not valid for this point in time.*
Changes to legislation: *There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)*

Modifications etc. (not altering text)

C12 S. 8 modified by S.I. 1987/1806, **art. 5(1)**

VALID FROM 01/12/1992

[F12 Acquisitions of goods from other member States]

Textual Amendments

F12 Ss. 8A - 8C inserted (1.12.1992) by Finance (No. 2) Act 1992 (c. 48), s. 14(2), **Sch. 3 Pt. I para.10**; S.I. 1992/2979, art. 4, **Sch. Pt.II** (with art. 5).

F13 8A Meaning of acquisition of goods from another member State.

(1) Subject to the following provisions of this section, references in this Act to the acquisition of goods from another member State shall be construed as references to any acquisition of goods in pursuance of a transaction in relation to which the following conditions are satisfied, that is to say—

(a) the transaction is a supply of goods (including anything treated for the purposes of this Act as a supply of goods); and

(b) the transaction involves the removal of the goods from another member State;

and references in this Act, in relation to such an acquisition, to the supplier shall be construed accordingly.

(2) It shall be immaterial for the purposes of subsection (1) above whether the removal of the goods from the other member State is by or under the directions of the supplier or by or under the directions of the person who acquires them or any other person.

(3) Where the person with the property in any goods does not change in consequence of anything which is treated for the purposes of this Act as a supply of goods, that supply shall be treated for the purposes of this Act as a transaction in pursuance of which there is an acquisition of goods by the person making it.

(4) The Treasury may by order provide with respect to any description of transaction that the acquisition of goods in pursuance of a transaction of that description is not to be treated for the purposes of this Act as the acquisition of goods from another member State.

Textual Amendments

F13 Ss. 8A - 8C inserted (1.12.1992) by Finance (No. 2) Act 1992 (c. 48), s. 14(2), **Sch. 3 Pt. I para.10**; S.I. 1992/2979, art. 4, **Sch. Pt.II** (with art. 5).

[F14]8B Time of acquisition.

(1) Subject to section 35 below and any regulations under subsection (3) below, where goods are acquired from another member State, the acquisition shall be treated for the purposes of this Act as taking place on whichever is the earlier of—

(a) the fifteenth day of the month following that in which the event occurs which, in relation to that acquisition, is the first relevant event for the purposes of taxing the acquisition; and

(b) the day of the issue, in respect of the transaction in pursuance of which the goods are acquired, of an invoice of such a description as the Commissioners may by regulations prescribe.

(2) For the purposes of this Act the event which, in relation to any acquisition of goods from another member State, is the first relevant event for the purposes of taxing the acquisition is the first removal of the goods which is involved in the transaction in pursuance of which they are acquired.

(3) The Commissioners may by regulations make provision with respect to the time at which an acquisition is to be treated as taking place in prescribed cases where the whole or part of any consideration comprised in the transaction in pursuance of which the goods are acquired is determined or payable periodically, or from time to time, or at the end of a period; and any such regulations may provide, in relation to any case to which they apply, for goods to be treated as separately and successively acquired at prescribed times or intervals.

Textual Amendments

F14 Ss. 8A - 8C inserted (1.12.1992) by Finance (No. 2) Act 1992 (c. 48), s. 14(2), **Sch. 3 Pt. I para.10**; S.I. 1992/2979, art. 4, **Sch. Pt.II** (with art. 5).

[F15]8C Place of acquisition.

(1) This section shall apply (subject to sections 32B(5) and 35 below) for determining for the purposes of this Act whether goods acquired from another member State are acquired in the United Kingdom.

(2) The goods shall be treated as acquired in the United Kingdom if they are acquired in pursuance of a transaction which involves their removal to the United Kingdom and does not involve their removal from the United Kingdom, and (subject to the following provisions of this section) shall otherwise be treated as acquired outside the United Kingdom.

(3) Subject to subsection (4) below, the goods shall be treated as acquired in the United Kingdom if they are acquired by a person who, for the purposes of their acquisition, makes use of a number assigned to him for the purposes of value added tax in the United Kingdom.

(4) Subsection (3) above shall not require any goods to be treated as acquired in the United Kingdom where it is established, in accordance with regulations made by the Commissioners for the purposes of this section—

(a) that value added tax has been paid in another member State on the acquisition of those goods; and

(b) that that tax fell to be paid by virtue of provisions of the law of that member State corresponding, in relation to that member State, to the provision made by subsection (2) above.

(5) The Commissioners may by regulations make provision for the purposes of this section—

(a) for the circumstances in which a person is to be treated as having been assigned a number for the purposes of value added tax in the United Kingdom;

(b) for the circumstances in which a person is to be treated as having made use of such a number for the purposes of the acquisition of any goods; and

(c) for the refund, in prescribed circumstances, of tax paid in the United Kingdom on acquisitions of goods in relation to which the conditions specified in subsection (4)(a) and (b) above are satisfied.

Textual Amendments

F15 Ss. 8A - 8C inserted (1.12.1992) by Finance (No. 2) Act 1992 (c. 48), s. 14(2), **Sch. 3 Pt. I para.10**; S.I. 1992/2979, art. 4, **Sch. Pt.II** (with art. 5).

VALID FROM 27/07/1993

[F16 8D Acquisitions from persons belonging in other member States.

(1) Subject to subsection (3) below, where—

(a) a person ("the original supplier") makes a supply of goods to a person who belongs in another member State ("the intermediate supplier");

(b) that supply involves the removal of the goods from another member State and their removal to the United Kingdom but does not involve the removal of the goods from the United Kingdom;

(c) both that supply and the removal of the goods to the United Kingdom are for the purposes of the making of a supply by the intermediate supplier to another person ("the customer") who is registered under this Act;

(d) neither of those supplies involves the removal of the goods from a member State in which the intermediate supplier is taxable at the time of the removal without also involving the previous removal of the goods to that member State; and

(e) there would be a taxable acquisition by the customer if the supply to him involved the removal of goods from another member State to the United Kingdom,

the supply by the original supplier to the intermediate supplier shall be disregarded for the purposes of this Act and the supply by the intermediate supplier to the customer shall be treated for the purposes of this Act, other than Schedule 1B, as if it did involve the removal of the goods from another member State to the United Kingdom.

(2) Subject to subsection (3) below, where—

(a) a person belonging in another member State makes such a supply of goods to a person who is registered under this Act as involves their installation or assembly at a place in the United Kingdom to which they are removed; and

(b) there would be a taxable acquisition by the registered person if that supply were treated as not being a taxable supply but as involving the removal of the goods from another member State to the United Kingdom,

that supply shall be so treated except for the purposes of Schedule 1B to this Act.

(3) Neither subsection (1) nor subsection (2) above shall apply in relation to any supply unless the intermediate supplier or, as the case may be, the person making the supply complies with such requirements as to the furnishing (whether before or after the supply is made) of invoices and other documents, and of information, to—

(a) the Commissioners, and

(b) the person supplied,

as the Commissioners may by regulations prescribe; and regulations under this subsection may provide for the times at which, and the form and manner in which, any document or information is to be furnished and for the particulars which it is to contain.

(4) Where this section has the effect of treating a taxable acquisition as having been made, section 8B(1) above shall apply in relation to that acquisition with the omission of the words from “whichever" to “acquisition; and" at the end of paragraph (a).

(5) For the purposes of this section a person belongs in another member State if—

(a) he does not have any business establishment or other fixed establishment in the United Kingdom and does not have his usual place of residence in the United Kingdom;

(b) he is neither registered under this Act nor required to be so registered;

(c) he does not have a tax representative and is not for the time being required to appoint one; and

(d) he is taxable in another member State;

but, in determining for the purposes of paragraph (b) above whether a person is required to be registered under this Act, there shall be disregarded any supplies which, if he did belong in another member State and complied with the requirements prescribed under subsection (3) above, would fall to be disregarded by virtue of this section.

(6) Without prejudice to section 8C(4) above, where—

(a) any goods are acquired from another member State in a case which corresponds, in relation to another member State, to the case specified in relation to the United Kingdom in subsection (1) above; and

(b) the person who acquires the goods is registered under this Act and would be the intermediate supplier in relation to that corresponding case,

the supply to him of those goods and the supply by him of those goods to the person who would be the customer in that corresponding case shall both be disregarded for the purposes of this Act, other than the purposes of the information provisions referred to in section 46A(7) below.

(7) References in this section to a person being taxable in another member State shall not include references to a person who is so taxable by virtue only of provisions of the law of another member State corresponding to the provisions of this Act by

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virtue of which a person who is not registered under this Act is a taxable person if he is required to be so registered.**]**

Textual Amendments

F16 S. 8D inserted (27.7.1993 with effect in relation to supplies of goods made on or after 1.8.1993 other than a supply of goods by an intermediate supplier to whom the goods were supplied before that date) by 1993 c. 34, **s. 44(1)(4)**

Rate of tax and determination of value

9 Rate of tax.

(1) Subject to the following provisions of this section, tax shall be charged at the rate of 15 per cent. and shall be charged—

(a) on the supply of goods or services, by reference to the value of the supply as determined under this Act; and

(b) on the importation of goods, by reference to the value of the goods as determined under this Act.

(2) The Treasury may by order increase or decrease the rate of tax for the time being in force by such percentage thereof not exceeding 25 per cent. as may be specified in the order, but any such order shall cease to be in force at the expiration of a period of one year from the date on which it takes effect, unless continued in force by a further order under this subsection.

(3) In relation to an order made under subsection (2) above to continue, vary or replace a previous order, the reference in that subsection to the rate for the time being in force is a reference to the rate which would be in force if no order under that subsection had been made.

10 Value of supply of goods or services.

(1) For the purposes of this Act the value of any supply of goods or services shall be determined as follows.

(2) If the supply is for a consideration in money its value shall be taken to be such amount as, with the addition of the tax chargeable, is equal to the consideration.

(3) If the supply is not for a consideration or is for a consideration not consisting or not wholly consisting of money, the value of the supply shall be taken to be its open market value.

(4) Where a supply of any goods or services is not the only matter to which a consideration in money relates the supply shall be deemed to be for such part of the consideration as is properly attributable to it.

(5) For the purposes of this Act the open market value of a supply of goods or services shall be taken to be the amount that would fall to be taken as its value under subsection (2) above if the supply were for such consideration in money as would be payable by a person standing in no such relationship with any person as would affect that consideration.

(6) This section has effect subject to Schedule 4 to this Act.

Modifications etc. (not altering text)

C13 S. 10 applied by S.I. 1987/1806, **arts. 9(2)**, 14(2)

VALID FROM 01/01/1993

[F17 10A Valuation of acquisitions from other member States.

(1) For the purposes of this Act the value of any acquisition of goods from another member State shall be taken to be the value of the transaction in pursuance of which they are acquired.

(2) Where goods are acquired from another member State otherwise than in pursuance of a taxable supply, the value of the transaction in pursuance of which they are acquired shall be determined for the purposes of subsection (1) above in accordance with this section and Schedule 4A to this Act, and for those purposes—

(a) subsections (3) to (5) below have effect subject to Schedule 4A to this Act; and

(b) section 10 above and Schedule 4 to this Act shall not apply in relation to the transaction.

(3) If the transaction is for a consideration in money, its value shall be taken to be such amount as is equal to the consideration.

(4) If the transaction is for a consideration not consisting or not wholly consisting of money, its value shall be taken to be such amount in money as is equivalent to the consideration.

(5) Where a transaction in pursuance of which goods are acquired from another member State is not the only matter to which a consideration in money relates, the transaction shall be deemed to be for such part of the consideration as is properly attributable to it.**]**

Textual Amendments

F17 S. 10A inserted (1.1.1993) by Finance (No. 2) Act 1992 (c. 48), s. 14(2), **Sch. 3 Pt. I para.13**; S.I. 1992/3261, **art. 3**,Sch. (with art. 4)

11 Value of imported goods.

(1) For the purposes of this Act, the value of imported goods shall be determined as follows.

(2) If the goods are imported at a price in money payable as on a transfer of the property, there being no other consideration, the value is an amount equal to the price, plus (so far as not already included)—

(a) all taxes, duties and other charges levied either outside or, by reason of importation, within the United Kingdom (except value added tax); and

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(b) all costs by way of commission, packing, transport and insurance up to the port or place of importation.

(3) Where subsection (2) above does not apply, the value of the goods is their open market value as determined in accordance with Community legislation relating to the valuation of goods for customs purposes, plus (so far as not already included in that value) all such taxes, duties, charges and costs as are specified in subsection (2)(a) and (b) above.

(4) This section has effect subject to Schedule 4 to this Act.

12 Value of certain goods.

(1) Where a person makes a supply on which tax is chargeable by applying, or causing to be applied, any treatment or process to another person's goods, then if the goods—

(a) are not goods to which subsection (3) below applies, but

(b) become as a result of the treatment or process goods to which that subsection applies,

the amount of the tax chargeable shall, subject to the following provisions of this section, be determined as if the supply had been a sale for full consideration of the goods resulting from the treatment or process.

(2) Subsection (1) above does not apply where the person to whom the supply is made—

(a) is registered under this Act; and

(b) gives to the person making the supply a certificate, in such form and containing such particulars as the Commissioners may by regulations prescribe, that the supply is for the purpose of a business carried on or to be carried on by him.

(3) This subsection applies to aircraft of a weight of 8,000 kilogrammes or more, and hovercraft, if (in each case) they have been adapted, but were not designed, for use for recreation or pleasure.

(4) The Treasury may by order vary subsection (3) above by adding to or deleting from it any description of goods or by varying any description of goods for the time being specified in it.

(5) The Treasury may by order make provision for securing a reduction of the tax chargeable on supplies to which subsection (1) above applies in cases where—

(a) tax was previously chargeable on a supply or importation of the goods to which the treatment or process is applied; and

(b) such other conditions are satisfied as may be specified in the order or as may be imposed by the Commissioners in pursuance of the order.

(6) A person who applies or causes to be applied a treatment or process to another person's goods shall, if the goods satisfy the conditions of paragraphs (a) and (b) of subsection (1) above, be treated for the purposes of paragraph 2 of Schedule 2 to this Act as producing the resulting goods by applying the treatment or process, whether or not he would otherwise fall to be so treated.

13 Gaming machines.

(1) Where a person plays a game of chance by means of a gaming machine, then for the purposes of the tax (but without prejudice to subsection (2) below) the amount paid by him to play shall be treated as the consideration for a supply of services to him.

(2) The value to be taken as the value of supplies made in the circumstances mentioned in subsection (1) above in any period shall be determined as if the consideration for the supplies were reduced by an amount equal to the amount (if any) received in that period by persons (other than the person making the supply and persons acting on his behalf) playing successfully.

(3) The insertion of a token into a machine shall be treated for the purposes of subsection (1) above as the payment of an amount equal to that for which the token can be obtained; and the receipt of a token by a person playing successfully shall be treated for the purposes of subsection (2) above—

(a) if the token is of a kind used to play the machine, as the receipt of an amount equal to that for which such a token can be obtained;

(b) if the token is not of such a kind but can be exchanged for money, as the receipt of an amount equal to that for which it can be exchanged.

(4) In this section—

"game of chance" has the same meaning as in the [M1]Gaming Act 1968; and

"gaming machine" means a machine in respect of which the following conditions are satisfied, namely—

(a) it is constructed or adapted for playing a game of chance by means of it; and

(b) a player pays to play the machine (except where he has an opportunity to play payment-free as the result of having previously played successfully), either by inserting a coin or token into the machine or in some other way; and

(c) the element of chance in the game is provided by means of the machine.

Marginal Citations

M1 1968 c. 65.

Credit for input tax against output tax

14 Credit for input tax against output tax.

(1) A taxable person shall, in respect of supplies made by him, account for and pay tax by reference to such periods (in this Act referred to as "prescribed accounting periods"), at such time and in such manner as may be determined by or under regulations **[**[F18], and regulations may make different provision for different circumstances**]**.

(2) Subject to the provisions of this section, he is entitled at the end of each such period to credit for so much of his input tax as is allowable under section 15 below, and then to deduct that amount from any output tax that is due from him.

(3) Subject to subsection (4) below, "input tax", in relation to a taxable person, means the following tax, that is to say—

(a) tax on the supply to him of any goods or services; and

(b) tax paid or payable by him on the importation of any goods,

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being (in either case) goods or services used or to be used for the purpose of any business carried on or to be carried on by him; and "output tax" means tax on supplies which he makes.

[[F19](3A) For the purposes of subsection (3) above, where goods or services supplied to, or goods imported by, a company are used or to be used in connection with the provision of accommodation by the company, they shall not be treated as used or to be used for the purpose of any business carried on by the company to the extent that the accommodation is used or to be used for domestic purposes by—

(a) a director of the company, or

(b) a person connected with a director of the company.**]**

(4) Where goods or services supplied to a taxable person, or goods imported by him, are used or to be used partly for the purposes of a business carried on or to be carried on by him and partly for other purposes, tax on supplies and importations shall be apportioned so that only so much as is referable to his business purposes is counted as his input tax.

(5) If either no output tax is due at the end of the period, or the amount of the credit exceeds that of the tax, then, subject to subsections (6) and (7) below, the amount of the credit or, as the case may be, the amount of the excess shall be paid to the taxable person by the Commissioners.

(6) The whole or any part of the credit may, subject to and in accordance with regulations, be held over to be credited in and for a subsequent period; and the regulations may allow for it to be so held over either on the taxable person's own application or in accordance with general or special directions given by the Commissioners from time to time.

(7) Where at the end of any period an amount is due under subsection (5) above to a taxable person who has failed to submit returns . . . [F20]for any earlier period as required by this Act, the Commissioners may withhold payment of that amount until he has complied with that requirement.

(8) No deduction shall be made under subsection (2) above nor shall any payment be made under subsection (5) above, except on a claim made in such manner and at such time as may be determined by or under regulations; and, in the case of a person who has made no taxable supplies in the period concerned or any previous period, payment under subsection (5) above shall be made subject to such conditions (if any) as the Commissioners think fit to impose, including conditions as to repayment in specified circumstances.

(9) Regulations may provide—

(a) for tax on the supply of goods or services to a taxable person, or paid or payable by him on the importation of goods, to be treated as his input tax only if and to the extent that the charge to tax is evidenced and quantified by reference to such documents as may be specified in the regulations or the Commissioners may direct either generally or in particular cases or classes of cases;

(b) for a taxable person to count as his input tax, in such circumstances, to such extent and subject to such conditions as may be prescribed, tax on the supply to him of goods or services or paid by him on the importation of goods notwithstanding that he was not a taxable person at the time of the supply or payment;

(c) for a taxable person that is a body corporate to count as its input tax, in such circumstances, to such extent and subject to such conditions as may be prescribed, tax on the supply or importation of goods acquired for it before its incorporation or on the supply of services before that time for its benefit or in connection with its incorporation;

(d) in the case of a person who has been, but is no longer, a taxable person, for him to be paid by the Commissioners the amount of any tax on a supply of services made to him for the purposes of the business carried on by him when he was a taxable person.

(10) The Treasury may by order provide, in relation to such supplies and importations as the order may specify, that tax charged on them is to be excluded from any credit under this section; and—

(a) any such provision may be framed by reference to the description of goods or services supplied or goods imported, the person by whom they are supplied or imported or to whom they are supplied, the purposes for which they are supplied or imported, or any circumstances whatsoever; and

(b) such an order may contain provision for consequential relief from output tax.

[[F21](11) For the purposes of this section "director" means—

(a) in relation to a company whose affairs are managed by a board of directors or similar body, a member of that board or similar body;

(b) in relation to a company whose affairs are managed by a single director or similar person, that director or person;

(c) in relation to a company whose affairs are managed by the members themselves, a member of the company;

and a person is connected with a director if that person is the director's wife or husband, or is a relative, or the wife or husband of a relative, of the director or of the director's wife or husband.**]**

Textual Amendments

F18 Words added by Finance Act 1987 (c. 16, SIF 40:2), **s. 11(1)**

F19 S. 14(3A) inserted by Finance Act 1990 (c. 29, SIF 40:2), **s. 12(2)(4)**

F20 Words repealed by Finance Act 1988 (c. 39, SIF 40:2), s. 148, **Sch. 14 Pt. III**

F21 S. 14(11) inserted by Finance Act 1990 (c.29, SIF 40:2), **s. 12(3)(4)**

Modifications etc. (not altering text)

C14 S. 14 excluded by S.I. 1981/1741, **art. 8** (as substituted by S.I. 1984/736, **art. 2**) and art. 9(1) (as substituted by S.I. 1988/1124, **art. 2(b)**)

C15 S. 14 amended by S.I. 1987/1806, **art. 12**

C16 S. 14(4) restricted by Finance Act 1986 (c.41, SIF 40:2), **s. 9(5)**

C17 S. 14(5) amended by Finance Act 1985 (c.54, SIF 40:2), **s. 20(1)(4)(a)(6)** (as substituted by Finance Act 1988 (c.39, SIF 40:2), **s. 20**)

15 Input tax allowable under section 14.

[[F22](1) The amount of input tax for which a taxable person is entitled to credit at the end of any period shall be so much of the input tax for the period (that is input tax on supplies and importations in the period) as is allowable by or under regulations as being attributable to supplies within subsection (2) below.

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(2) The supplies within this subsection are the following supplies made or to be made by the taxable person in the course or furtherance of his business—

(a) taxable supplies;

(b) supplies outside the United Kingdom which would be taxable supplies if made in the United Kingdom;

(c) supplies which section 35 below provides are to be disregarded for the purposes of this Act and which would otherwise be taxable supplies.

(3) The Commissioners shall make regulations for securing a fair and reasonable attribution of input tax to supplies within subsection (2) above, and any such regulations may provide for—

(a) determining a proportion by reference to which input tax for any prescribed accounting period is to be provisionally attributed to those supplies;

(b) adjusting, in accordance with a proportion determined in like manner for any longer period comprising two or more prescribed accounting periods or parts thereof, the provisional attribution for any of those periods; and

(c) the making of payments in respect of input tax, by the Commissioners to a taxable person (or a person who has been a taxable person) or by a taxable person (or a person who has been a taxable person) to the Commissioners, in cases where events prove inaccurate an estimate on the basis of which an attribution was made

[[F23](d) preventing input tax on a supply which, under or by virtue of any provision of this Act, a person makes to himself from being allowable as attributable to that supply.**]]**

(4) Regulations under subsection (3) above may make different provision for different circumstances and, in particular (but without prejudice to the generality of that subsection) for different descriptions of goods or services; and may contain such incidental and supplementary provisions as appear to the Commissioners necessary or expedient.

Textual Amendments

F22 S. 15(1)–(3) substituted by Finance Act 1987 (c. 16, SIF 40:2), **s. 12(1)(4)**

F23 Para. (d) added by Finance Act 1989 (c. 26, SIF 40:2), **s. 26**

Modifications etc. (not altering text)

C18 S. 15 excluded by S.I. 1981/1741, **art. 8** (as substituted by S.I. 1984/736, **art. 2**) and art. 9(1) (as substituted by S.I. 1988/1124, **art. 2(b)**)

C19 S. 15 amended by S.I. 1987/1806, **art. 12**

Reliefs

16 Zero-rating.

(1) Where a taxable person supplies goods or services and the supply is zero-rated, then, whether or not tax would be chargeable on the supply apart from this section,—

(a) no tax shall be charged on the supply; but

(b) it shall in all other respects be treated as a taxable supply;

and accordingly the rate at which tax is treated as charged on the supply shall be nil.

(2) A supply of goods or services is zero-rated by virtue of this subsection if the goods or services are of a description for the time being specified in Schedule 5 to this Act or the supply is of a description for the time being so specified.

(3) Where goods of a description for the time being specified in Schedule 5 to this Act, or of a description forming part of a description of supply for the time being so specified, are imported into the United Kingdom, no tax shall be chargeable on their importation, except as otherwise provided in that Schedule.

(4) The Treasury may by order vary Schedule 5 to this Act by adding to or deleting from it any description or by varying any description for the time being specified in it.

(5) Where a description included in Schedule 5 to this Act (whether by virtue of an order under subsection (4) above or otherwise) is [F24]of a transaction which would not otherwise be a supply of goods or services, the [F24]supply or transaction shall for the purposes of this Act be treated as a supply of goods or services in the United Kingdom.

(6) A supply of goods is zero-rated by virtue of this subsection if the Commissioners are satisfied that the person supplying the goods—

(a) has exported them; or

(b) has shipped them for use as stores on a voyage or flight to an eventual destination outside the United Kingdom, or as merchandise for sale by retail to persons carried on such a voyage or flight in a ship or aircraft

[[F25]and, in either case, if such other conditions, if any, as may be specified in regulations or the Commissioners may impose are fulfilled.**]**

[[F26](6A) Subsection (6)(b) above shall not apply in the case of goods shipped for use as stores on a voyage or flight to be made by the person to whom the goods were supplied and to be made for a purpose which is private.**]**

(7) Regulations may provide for the zero-rating of supplies of goods, or of such goods as may be specified in the regulations, in cases where the Commissioners are satisfied that the goods have been or are to be exported and such other conditions, if any, as may be specified in the regulations or the Commissioners may impose are fulfilled.

(8) Regulations may provide for the zero-rating of a supply of services which is made where goods are let on hire and the Commissioners are satisfied that the goods have been or are to be exported during the period of the letting, and such other conditions, if any, as may be specified in the regulations or the Commissioners may impose are fulfilled.

(9) Where the supply of any goods has been zero-rated **[**[F27]by virtue of subsection (6) above or**]** in pursuance of regulations made under subsection (7) or (8) above and—

(a) the goods are found in the United Kingdom after the date on which they were alleged to have been or were to be exported **[**[F28]or shipped**]**; or

(b) any condition specified in the **[**[F29]relevant regulations under subsection (6), (7) or (8) above**]**or imposed by the Commissioners is not complied with,

and the presence of the goods in the United Kingdom after that date or the non-observance of the condition has not been authorised for the purposes of this subsection by the Commissioners, the goods shall be liable to forfeiture under the [M2]Customs and Excise Management Act 1979 and the tax that would have been chargeable on the supply but for the zero-rating shall become payable forthwith by the person to whom

the goods were supplied or by any person in whose possession the goods are found in the United Kingdom; but the Commissioners may, if they think fit, waive payment of the whole or part of that tax.

Textual Amendments

F24 Words repealed by Finance Act 1984 (c. 43, SIF 40:2), s. 13, **Sch. 23 Pt. III**

F25 Words added by Finance Act 1986 (c. 41, SIF 40:2), **s. 12(1)**

F26 S. 16(6A) inserted by Finance Act 1990 (c. 29, SIF 40:2), **s. 13(1)(2)**

F27 Words inserted by Finance Act 1986 (c. 41, SIF 40:2), **s. 12(2)**(*a*)

F28 Words inserted by Finance Act 1986 (c. 41, SIF 40:2), **s. 12(2)**(*b*)

F29 Words substituted by Finance Act 1986 (c. 41, SIF 40:2), **s. 12(2)**(*c*)

Marginal Citations

M2 1979 c. 2.

17 Exemptions.

(1) A supply of goods or services is an exempt supply if it is of a description for the time being specified in Schedule 6 to this Act.

(2) The Treasury may by order vary that Schedule by adding to or deleting from it any description of supply or by varying any description of supply for the time being specified in it and the Schedule may be varied so as to describe a supply of goods by reference to the use which has been made of them or to other matters unrelated to the characteristics of the goods themselves.

18 Relief on supply of certain second-hand goods.

(1) The Treasury may by order make provision for securing a reduction of the tax chargeable on the supply of goods of such descriptions as may be specified in the order in cases where no tax was chargeable on a previous supply of the goods and such other conditions are satisfied as may be specified in the order or as may be imposed by the Commissioners in pursuance of the order.

(2) The amount of the reduction that may be secured by an order under this section shall not exceed the amount of tax that would have been chargeable on the previous supply had tax been chargeable on it at the same rate as that at which the tax to be reduced would be chargeable but for the reduction.

(3) An order under this section making provision for reducing the tax chargeable on the supply of goods of any description may include provision—

(a) for giving relief from the tax chargeable on the importation of goods of that description; and

(b) for securing the like reduction where no tax was chargeable on the importation of goods of that description as where no tax was chargeable on a previous supply of the goods.

(4) An order under this section may extend to cases where the previous supply or the importation took place before tax was chargeable on any supply or importation.

(5) The preceding provisions of this section shall, with the necessary modifications, apply in relation to cases where consequential relief from tax was given on a previous supply

by an order under section 14(10) above but the relief did not extend to the whole amount of the tax.

(6) An order under this section may make different provision for goods of different descriptions and for different circumstances.

(7) In this section references to a supply on which no tax was chargeable include references to a transaction treated by virtue of an order under section 3(3) above as neither a supply of goods nor a supply of services.

19 Relief from tax on importation of goods.

(1) The Treasury may by order make provision for giving relief from the whole or part of the tax chargeable on the importation of goods, subject to such conditions (including conditions prohibiting or restricting the disposal of or dealing with the goods) as may be imposed by or under the order, if and so far as the relief appears to the Treasury to be necessary or expedient, having regard to any international agreement or arrangements.

[[F30](1A) In any case where—

(a) it is proposed that goods which have been imported by any person (in this subsection referred to as "the original importer") with the benefit of relief under subsection (1) above shall be transferred to another person (in this subsection referred to as "the transferee"), and

(b) on an application made by the transferee, the Commissioners direct that this subsection shall apply,

this Act shall have effect as if, on the date of the transfer of the goods (and in place of the transfer), the goods were exported by the original importer and imported by the transferee and, accordingly, where appropriate, provision made under subsection (1) above shall have effect in relation to the tax chargeable on the importation of the goods by the transferee.**]**

(2) The Commissioners may by regulations make provision for remitting or repaying, if they think fit, the whole or part of the tax chargeable on the importation of any goods which are shown to their satisfaction to have been previously exported from the United Kingdom.

(3) The Commissioners may by regulations make provision for remitting or repaying the whole or part of the tax chargeable on the importation of any goods if they are satisfied that the goods have been or are to be re-exported and they think fit to do so in all the circumstances and having regard—

(a) to the tax chargeable on the supply of like goods in the United Kingdom;

(b) to any value added tax which may have become chargeable in another member State in respect of the goods.

Textual Amendments

F30 S. 19(1A) inserted by Finance Act 1986 (c. 41, SIF 40:2), **s. 13**

Status: *Point in time view as at 01/02/1991. This version of this Act contains provisions that are not valid for this point in time.*
Changes to legislation: *There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)*

Refunds

20 Refund of tax in certain cases.

(1) Subject to the following provisions of this section, where tax is chargeable on the supply of goods or services to, or on the importation of goods by, a body to which this section applies and the supply or importation is not for the purpose of any business carried on by the body, the Commissioners shall, on a claim made by the body at such time and in such form and manner as the Commissioners may determine, refund to it the amount of the tax so chargeable.

(2) Where goods or services so supplied to or imported by the body cannot be conveniently distinguished from goods or services supplied to or imported by it for the purpose of a business carried on by it, the amount to be refunded under this section shall be such amount as remains after deducting from the whole of the tax chargeable on any supply to or importation by the body such proportion thereof as appears to the Commissioners to be attributable to the carrying on of the business; but where the tax so attributable is or includes tax attributable, in accordance with regulations under section 15 above, to exempt supplies by the body and the tax attributable to the exempt supplies is in the opinion of the Commissioners an insignificant proportion of the tax so chargeable they may include it in the tax refunded under this section.

(3) The bodies to which this section applies are—

(a) a local authority;

(b) a water authority, a river purification board established under section 135 of the [M3]Local Government (Scotland) Act 1973, a statutory water undertaker within the meaning of the [M4]Water Act 1973 and a water development board within the meaning of section 109 of the [M5]Water (Scotland) Act 1980;

(c) an internal drainage board within the meaning of the [M6]Land Drainage Act 1976;

(d) **[**[F31]the London Transport Executive and**]**a passenger transport authority or executive established under Part II of the [M7]Transport Act 1968;

(e) a port health authority constituted under Part I of the [M8]Public Health Act 1936, and a port local authority and joint port local authority constituted under Part X of the [M9]Public Health (Scotland) Act 1897;

(f) a police authority and the Receiver for the Metropolitan Police District;

(g) a development corporation within the meaning of the [M10]New Towns Act 1981 or the [M11]New Towns (Scotland) Act 1968, a new town commission within the meaning of the [M12]New Towns Act (Northern Ireland) 1965 and the Commission for the New Towns;

(h) a general lighthouse authority within the meaning of Part XI of the [M13]Merchant Shipping Act 1894;

(i) the British Broadcasting Corporation;

[[X1](j) Independent Television News Limited; and**]**

[[F32](j) a nominated news provider, as defined by section 31(3) of the Broadcasting Act 1990;**]**

(k) any body specified for the purposes of this section by an order made by the Treasury.

(4) No tax shall be refunded under this section to a general lighthouse authority which in the opinion of the Commissioners is attributable to activities other than

those concerned with the provision, maintenance or management or lights or other navigational aids.

[[F33](4A) No tax shall be refunded under this section to a nominated news provider which in the opinion of the Commissioners is attributable to activities other than the provision of news programmes for broadcasting by holders of regional Channel 3 licences (within the meaning of Part I of the Broadcasting Act 1990).**]**

(5) References in this section to tax chargeable do not include any tax which, by virtue of any order under section 14(10) above, is excluded from credit under that section.

(6) In this section "local authority" means the council of a county, district, London borough, parish or group of parishes (or, in Wales, community or group of communities), [F34] the Common Council of the City of London, the Council of the Isles of Scilly, and any joint committee or joint board established by two or more of the foregoing and, in relation to Scotland, a regional, islands or district council within the meaning of the [M14]Local Government (Scotland) Act 1973, any combination and any joint committee or joint board established by two or more of the foregoing and any joint board to which section 226 of that Act applies.

Editorial Information

X1 S. 20(3)(*j*) commencing "a nominated news provider" substituted (1.1.1993) for s. 20(3)(*j*) commencing "Independent Television News Limited" by Broadcasting Act 1990 (c. 42, SIF 96), s. 203(1), **Sch. 20 para. 37(a)**

Textual Amendments

F31 Words repealed (E.W.) by London Regional Transport Act 1984 (c. 32, SIF 126), **s. 71(3)**(*b*), Sch. 7

F32 S. 20(3)(*j*) commencing "a nominated news provider" substituted (1.1.1993) for s. 20(3)(*j*) commencing "Independent Television News Limited" by Broadcasting Act 1990 (c. 42, SIF 96), s. 203(1), **Sch. 20 para. 37(a)**

F33 S. 20(4A) inserted (1.1.1993) by Broadcasting Act 1990 (c. 42, SIF 96), s. 203(1), **Sch. 20 para. 37(b)**

F34 Words repealed by Local Government Act 1985 (c.51, SIF 81:1), s. 102, **Sch.17**

Marginal Citations

M3 1973 c. 65.
M4 1973 c. 37.
M5 1980 c. 45.
M6 1976 c. 70.
M7 1968 c. 73.
M8 1936 c. 49.
M9 1897 c. 38.
M10 1981 c. 64.
M11 1968 c. 16.
M12 1965 c. 13 (N.I.).
M13 1894 c. 60.
M14 1973 c. 65.

Status: *Point in time view as at 01/02/1991. This version of this Act contains provisions that are not valid for this point in time.*
Changes to legislation: *There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)*

VALID FROM 01/12/1992

[F35 20A Refunds in relation to new means of transport supplied to other member States.

(1) Subject to subsection (2) below, where a person who is not a taxable person makes such a supply of goods consisting in a new means of transport as involves the removal of the goods to another member State, the Commissioners shall, on a claim made in that behalf, refund to that person, as the case may be—
  (a) the amount of any tax on the supply of that means of transport to that person; or
  (b) the amount of any tax paid by that person on the acquisition of that means of transport from another member State or on its importation from a place outside the member States.

(2) The amount of tax refunded under this section shall not exceed the amount that would have been payable on the supply involving the removal if it had been a taxable supply by a taxable person and had not been zero-rated.

(3) The Commissioners shall not be entitled to entertain a claim for refund of tax under this section unless the claim—
  (a) is made within such time and in such form and manner;
  (b) contains such information; and
  (c) is accompanied by such documents, whether by way of evidence or otherwise,

as the Commissioners may by regulations prescribe.**]**

Textual Amendments

F35 S. 20A inserted (1.12.1992) by Finance (No. 2) Act 1992 (c. 48), s. 14(2), **Sch. 3 Pt. I para.22**; S.I. 1992/2979, art. 4, **Sch. Pt.II** (with art. 5).

[F36 21 Refund of tax to persons constructing certain buildings.

(1) Subject to subsection (2) below, where tax is chargeable on the supply of goods to, or the importation of goods by, a person constructing a building lawfully and otherwise than in the course of furtherance of any business, and—
  (a) the goods are incorporated in the building or its site; and
  (b) the supply of the goods would have been zero-rated by virtue of item 3 of Group 8 of Schedule 5 to this Act if they had been supplied by a supplier making to the same person supplies within item 2 of that Group of services including their use or installation, and any required certificate had been given,

the Commissioners shall, on a claim made in that behalf, refund to the person the amount of the tax so chargeable.

(2) The Commissioners shall not be required to entertain a claim for a refund of tax under this section unless the claim—
  (a) is made within such time and in such form and manner;
  (b) contains such information; and

(c) is accompanied by such documents, whether by way of evidence or otherwise, as the Commissioners may by regulations prescribe.**]**

Textual Amendments

F36 S. 21 substituted by Finance Act 1989 (c. 26, SIF 40:2), s. 18, **Sch. 3 para. 5**

[F37]22 . . . . . .

Textual Amendments

F37 S. 22 repealed by Finance Act 1990 (c. 29, SIF 40:2), ss. 11(9), 132, **Sch. 19 Pt. III** Note 1

Repayment

23 Repayment of tax to those in business overseas.

(1) The Commissioners may, by means of a scheme embodied in regulations, provide for the repayment, to persons to whom this section applies, of tax on supplies to them in the United Kingdom **[**[F38]or on the importation of goods by them **[**[F39]from places outside the member States**]]**which would be input tax of theirs if they were taxable persons in the United Kingdom.

(2) This section—

(a) applies to persons carrying on business in **[**[F40]another member State**]**, and

(b) shall apply also to persons carrying on business in other countries, if, pursuant to any Community Directive, rules are adopted by the Council of the Communities about refunds of tax to persons established elsewhere than in the member States,

but does not apply to persons carrying on business in the United Kingdom.

(3) Repayment shall be made in such cases only, and subject to such conditions, as the scheme may prescribe (being conditions specified in the regulations or imposed by the Commissioners either generally or in particular cases); and the scheme may provide—

(a) for claims and repayments to be made only through agents in the United Kingdom;

(b) either generally or for specified purposes—

(i) for the agents to be treated under this Act as if they were taxable persons; and

(ii) for treating claims as if they were returns under this Act and repayments as if they were repayments of input tax; and

(c) for generally regulating the methods by which the amount of any repayment is to be determined and the repayment is to be made.

Textual Amendments

F38 Words inserted by Finance Act 1987 (c. 16, SIF 40:2), s. 19(2), **Sch. 2 para. 2**

F39 Words in s. 23(1) substituted (1.12.1992) by Finance (No. 2) Act 1992 (c. 48), s. 14(2), **Sch. 3 Pt. I para. 24(1)**; S.I. 1992/2979, art. 4, **Sch. Pt.II** (with art. 5).

F40 Words in s. 23(2)(a) substituted (1.12.1992) by Finance (No. 2) Act 1992 (c. 48), s. 14(2), **Sch. 3 Pt. I para. 24(2)**; S.I. 1992/2979, art. 4, **Sch. Pt.II** (with art. 5).

23 Repayment of tax to those in business overseas. U.K.

(1) The Commissioners may, by means of a scheme embodied in regulations, provide for the repayment, to persons to whom this section applies, of tax on supplies to them in the United Kingdom **[**[F370]or on the importation of goods by them into the United Kingdom**]**which would be input tax of theirs if they were taxable persons in the United Kingdom.

(2) This section—

(a) applies to persons carrying on business in a member State other than the United Kingdom, and

(b) shall apply also to persons carrying on business in other countries, if, pursuant to any Community Directive, rules are adopted by the Council of the Communities about refunds of tax to persons established elsewhere than in the member States,

but does not apply to persons carrying on business in the United Kingdom.

(3) Repayment shall be made in such cases only, and subject to such conditions, as the scheme may prescribe (being conditions specified in the regulations or imposed by the Commissioners either generally or in particular cases); and the scheme may provide—

(a) for claims and repayments to be made only through agents in the United Kingdom;

(b) either generally or for specified purposes—

(i) for the agents to be treated under this Act as if they were taxable persons; and

(ii) for treating claims as if they were returns under this Act and repayments as if they were repayments of input tax; and

(c) for generally regulating the methods by which the amount of any repayment is to be determined and the repayment is to be made.

Textual Amendments

F370 Words inserted by Finance Act 1987 (c. 16, SIF 40:2), s. 19(2), **Sch. 2 para. 2**

Further provisions as to importation of goods

24 Application of customs enactments.

(1) Subject to the provisions of this section, the Customs and Excise Acts 1979 and, except where the contrary intention appears, any other enactments (including provisions of regulations or other instruments having statutory effect) relating generally to customs or excise duties on imported goods, whenever passed or made, shall have effect, with such exceptions and adaptations as may be prescribed, as if all goods imported into the United Kingdom were liable to duties (whether of customs or excise) and as if those duties included value added tax chargeable on the importation of goods.

(2) Section 125(3) of the [M15]Customs and Excise Management Act 1979 shall have effect in its application by virtue of subsection (1) above as if the reference to subsections (1) and (2) of that section included a reference to section 11 above.

(3) The following enactments shall be excepted from those which are to have effect as mentioned in subsection (1) above, that is to say—

(a) sections 43(5), 125(1) and (2), 126 and 127(1)(b) of the Customs and Excise Management Act 1979;

(b) the provisions of the [M16]Customs and Excise Duties (General Reliefs) Act 1979 other than sections [F41], 8 and 9(b);

(c) section 6(4) of the [M17]Matches and Mechanical Lighters Duties Act 1979; and

(d) sections 8 and 9 of the [M18]Isle of Man Act 1979.

(4) Regulations under section 16 of the [M19]Post Office Act 1953 (which provides for the application of customs enactments to postal packets) may make special provision in relation to value added tax.

Textual Amendments

F41 Figure "7" repealed by Finance Act 1984 (c. 43, SIF 40:1), s. 128(6), **Sch. 23 Pt. IV**

Modifications etc. (not altering text)

C20 S. 24 excluded by Finance (No. 2) Act 1987 (c. 51), **s. 13(7)**

C21 S. 24(1) restricted (1.1.1992) by S.I. 1991/2725, **reg.4**
S. 24(1) restricted (1.1.1992) by S.I. 1991/2727, **reg. 3(2)**

Marginal Citations

M15 1979 c. 2.
M16 1979 c. 3.
M17 1979 c. 6.
M18 1979 c. 58.
M19 1953 c. 36.

25 Importation of goods by taxable persons.

The Commissioners may by regulations make provision for enabling goods imported by a taxable person in the course of furtherance of any business carried on by him to be delivered or removed, subject to such conditions or restrictions as the Commissioners may impose for the protection of the revenue, without payment of the tax chargeable on the importation, and for that tax to be accounted for together with the tax chargeable on the supply of goods or services by him.

26 Goods imported for private purposes.

(1) Where goods are imported by a taxable person and—

(a) at the time of importation they belong wholly or partly to another person; and

(b) the purposes for which they are to be used include private purposes either of himself or of the other,

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tax paid or payable by the taxable person on the importation of the goods shall not be regarded as input tax to be deducted or credited under section 14 above; but he may make a separate claim to the Commissioners for it to be repaid.

(2) The Commissioners shall allow the claim if they are satisfied that to disallow it would result, in effect, in a double charge to tax; and where they allow it they shall do so only to the extent necessary to avoid the double charge.

(3) In considering a claim under this section, the Commissioners shall have regard to the circumstances of the importation and, so far as appearing to them to be relevant, things done with, or occurring in relation to, the goods at any subsequent time.

(4) Any amount allowed by the Commissioners on the claim shall be paid by them to the taxable person.

(5) The reference above to a person's private purposes is to purposes which are not those of any business carried on by him.

Special cases

27 Application to Crown.

(1) This Act shall apply in relation to taxable supplies by the Crown as it applies in relation to taxable supplies by taxable persons.

(2) Where the supply by a Government department of any goods or services does not amount to the carrying on of a business but it appears to the Treasury that similar goods or services are or might be supplied by taxable persons in the course or furtherance of any business, then, if and to the extent that the Treasury so direct, the supply of those goods or services by that department shall be treated for the purposes of this Act as a supply in the course or furtherance of any business carried on by it.

[[F42](2A) Where tax is chargeable on the supply of goods or services to, or on the importation of goods by, a Government department and the supply or importation is not for the purpose—

(a) of any business carried on by the department, or

(b) of a supply by the department which, by virtue of a direction under subsection (2) above, is treated as a supply in the course of furtherance a business,

then, if and to the extent that the Treasury so direct and subject to subsection (2B) below, the Commissioners shall, on a claim made by the department at such time and in such form and manner as the Commissioners may determine, refund to it the amount of the tax so chargeable.

(2B) The Commissioners may make the refunding of any amount due under subsection (2A) above conditional upon compliance by the claimant with requirements with respect to the keeping, preservation and production of records relating to the supply or importation in question.**]**

(3) For the purposes of this section goods or services obtained by one Government department from another Government department shall be treated, if and to the extent that the Treasury so direct, as supplied by that other department and similarly as regards goods or services obtained by or from the Crown Estate Commissioners.

(4) In this section "Government department" includes a Northern Ireland department, any body of persons exercising functions on behalf of a Minister of the Crown **[**[F43]including a health service body, as defined in section 60(7) of the National Health Service and Community Care Act 1990**]**, and any part of a Government department (as defined in the foregoing) designated for the purposes of this subsection by a direction of the Treasury.

[[F44](5) For the purposes of subsection (4) above a National Health Service trust established under Part I of the National Health Service and Community Care Act 1990 or the National Health Service (Scotland) Act 1978 shall be regarded as a body of persons exercising functions on behalf of a Minister of the Crown.**]**

Textual Amendments

F42 S. 27(2A)(2B) inserted by Finance Act 1984 (c. 43, SIF 40:2), **s. 11**

F43 Words inserted (1.4.1991) by National Health Service and Community Care Act 1990 (c. 19, SIF 113:2), s. 60(2), **Sch. 8 para. 9**

F44 S. 27(5) added by National Health Service and Community Care Act 1990 (c. 19, SIF 113:2), **s. 61(4)**

28 Local authorities.

(1) A local authority which makes taxable supplies is liable to be registered under this Act, whatever the value of the supplies; and accordingly Schedule 1 to this Act shall apply, in a case where the value of the taxable supplies made by a local authority in any period of one year does not exceed the sum for the time being specified in paragraph **[**[F45]1(1)(a)**]**of that Schedule, as if that value exceeded that sum.

(2) In this section "local authority" has the same meaning as in section 20 above.

Textual Amendments

F45 Words substituted by Finance Act 1990 (c. 29, SIF 40:2), **s. 10(8)(9)**

29 Groups of companies.

(1) Where, under the following provisions of this section, any bodies corporate are treated as members of a group any business carried on by a member of the group shall be treated as carried on by the representative member, and—

(a) any supply of goods or services by a member of the group to another member of the group shall be disregarded; and

(b) any other supply of goods or services by or to a member of the group shall be treated as a supply by or to the representative member; and

(c) any tax paid or payable by a member of the group on the importation of any goods shall be treated as paid or payable by the representative member and the goods shall be treated for the purposes of section 25 above and paragraph 4(6) of Schedule 7 to this Act as imported by the representative member;

and all members of the group shall be liable jointly and severally for any tax due from the representative member.

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(2) An order under section 3(5) or (6) above may make provision for securing that any goods or services which, if all the members of the group were one person, would fall to be treated under that section as supplied to and by that person, are treated as supplied to and by the representative member.

(3) Two or more bodies corporate resident in the United Kingdom are eligible to be treated as members of a group if—
   (a) one of them controls each of the others; or
   (b) one person (whether a body corporate or an individual) controls all of them; or
   (c) two or more individuals carrying on a business in partnership control all of them.

(4) Where an application to that effect is made to the Commissioners with respect to two or more bodies corporate eligible to be treated as members of a group, then, from the beginning of a prescribed accounting period they shall be so treated, and one of them shall be the representative member, unless the Commissioners refuse the application; but they shall not refuse it unless it appears to them necessary to do so for the protection of the revenue.

(5) Where any bodies corporate are treated as members of a group and an application to that effect is made to the Commissioners, then, from the beginning of a prescribed accounting period—
   (a) a further body eligible to be so treated shall be included among the bodies so treated; or
   (b) a body corporate shall be excluded from the bodies so treated; or
   (c) another member of the group shall be substituted as the representative member; or
   (d) the bodies corporate shall no longer be treated as members of a group,

   unless the application is to the effect mentioned in paragraph (a) or paragraph (c) above and the Commissioners refuse the application; but they shall not refuse it unless it appears to them necessary to do so for the protection of the revenue.

(6) Where a body corporate is treated as a member of a group as being controlled by any person and it appears to the Commissioners that it has ceased to be so controlled, they shall, by notice given to that person, terminate that treatment from such date as may be specified in the notice.

(7) An application under this section with respect to any bodies corporate must be made by one of those bodies or by the person controlling them and must be made not less than 90 days before the date from which it is to take effect, or at such later time as the Commissioners may allow.

(8) For the purposes of this section a body corporate shall be taken to control another body corporate if it is empowered by statute to control that body's activities or if it is that body's holding company within the meaning of **[**[F46]section 736 of**]**the **[**[F47]Companies Act 1985**]**; and an individual or individuals shall be taken to control a body corporate if he or they, were he or they a company, would be that body's holding company within the meaning of that Act.

Textual Amendments

F46 Words inserted by Companies Act 1989 (c. 40, SIF 27), s. 144(4), **Sch. 18 para. 27**

F47 Words substituted by Companies Consolidation (Consequential Provisions) Act 1985 (c. 9, SIF 27), s. 30, **Sch. 2**

Modifications etc. (not altering text)

C22 S. 29 modified by Telecommunications Act 1984 (c.12, SIF 96), **s. 72(5)**

C23 S. 29 amended by S.I. 1987/1806, **art. 13**

[[F48]29A Supplies to groups.

(1) Subject to subsections (2) **[**[F49]to (3A)**]**below, subsection (4) below applies where—

(a) a business, or part of a business, carried on by a taxable person is transferred as a going concern to a body corporate treated as a member of a group under section 29 above;

(b) on the transfer of the business or part, chargeable assests of the business are transferred to the body corporate; and

(c) the transfer of the assets is treated by virtue of section 3(3)(c) above as neither a supply of goods nor a supply of services.

(2) Subsection (4) below shall not apply if the representative member of the group is entitled to credit for the whole of the input tax on supplies to it and importations by it—

(a) during the prescribed accounting period in which the assets are transferred, and

(b) during any longer period to which regulations under section 15(3)(b) above relate and in which the assets are transferred.

(3) Subsection (4) below shall not apply if the Commissioners are satisfied that the assets were acquired by the taxable person transferring them more than three years before the day on which they are transferred.

[F50]**[** (3A) Subsection (4) below shall not apply to the extent that the chargeable assets consist of capital items in respect of which regulations made under section 15(3) and (4) above, and in force when the assets are transferred, provide for adjustment to the deduction of input tax.**]**

(4) The chargeable assets shall be treated for the purposes of this Act as being, on the day on which they are transferred, both supplied to the representative member of the group for the purpose of its business and supplied by that member in the course or furtherance of its business.

(5) A supply treated under subsection (4) above as made by a representative member shall not be taken into account as a supply made by him when determining the allowance of input tax in his case under section 15 above.

(6) The value of a supply treated under subsection (4) above as made to or by a representative member shall be taken to be the open market value of the chargeable assets.

(7) For the purposes of this section, the open market value of any chargeable assets shall be taken to be the price that would be paid on a sale (on which no tax is payable) between a buyer and a seller who are not in such a relationship as to affect the price.

(8) The Commissioners may reduce the tax chargeable by virtue of subsection (4) above in a case where they are satisfied that the person by whom the chargeable assets are

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transferred has not received credit for the full amount of input tax arising on the acquisition by him of the chargeable assets.

(9) For the purposes of this section, assets are chargeable assets if their supply in the United Kingdom by a taxable person in the course or furtherance of his business would be a taxable supply (and not a zero-rated supply).**]**

Textual Amendments

F48 S. 29A inserted by Finance Act 1987 (c. 16, SIF 40:2), **s. 15(1)(2)**

F49 Words substituted by Finance Act 1990 (c. 29, SIF 40:2), **s. 14(2)(4)**

F50 Subsection (3A) inserted by Finance Act 1990 (c. 29, SIF 40:2), **s. 14(3)(4)**

30 Partnerships.

(1) The registration under this Act of persons carrying on a business in partnership may be in the name of the firm; and no account shall be taken, in determining for any purpose of this Act whether goods or services are supplied to or by such persons, of any change in the partnership.

(2) Without prejudice to section 36 of the [M20]Partnership Act 1890 (rights of persons dealing with firm against apparent members of firm), until the date on which a change in the partnership is notified to the Commissioners a person who has ceased to be a member of a partnership shall be regarded as continuing to be a partner for the purposes of this Act and, in particular, for the purpose of any liability for tax on the supply of goods or services by the partnership.

(3) Where a person ceases to be a member of a partnership during a prescribed accounting period (or is treated as so doing by virtue of subsection (2) above) any notice, whether of assessment or otherwise, which is served on the partnership and relates to, or to any matter arising in, that period or any earlier period during the whole or part of which he was a member of the partnership shall be treated as served also on him.

(4) Without prejudice to section 16 of the [M21]Partnership Act 1890 (notice to acting partner to be notice to the firm) any notice, whether of assessment or otherwise, which is addressed to a partnership by the name in which it is registered by virtue of subsection (1) above and is served in accordance with this Act shall be treated for the purposes of this Act as served on the partnership and, accordingly, where subsection (3) above applies, as served also on the former partner.

(5) Subsections (1) and (3) above shall not affect the extent to which, under section 9 of the Partnership Act 1890, a partner is liable for tax owed by the firm; but where a person is a partner in a firm during part only of a prescribed accounting period his liability for tax on the supply by the firm of goods or services during that accounting period shall be such proportion of the firm's liability as may be just.

Marginal Citations

M20 1890 c. 39.

M21 1890 c. 39.

31 Business carried on in divisions or by unincorporated bodies, personal representatives, etc.

(1) The registration under this Act of a body corporate carrying on a business in several divisions may, if the body corporate so requests and the Commissioners see fit, be in the names of those divisions.

(2) The Commissioners may by regulations make provision for determining by what persons anything required by or under this Act to be done by a person carrying on a business is to be done where a business is carried on in partnership or by a club, association or organisation the affairs of which are managed by its members or a committee or committees of its members.

(3) The registration under this Act of any such club, association or organisation may be in the name of the club, association or organisation; and in determining whether goods or services are supplied to or by such a club, association or organisation, no account shall be taken of any change in its members.

(4) The Commissioners may by regulations make provision for persons who carry on a business of a taxable person who has died or become bankrupt or incapacitated to be treated for a limited time as taxable persons, and for securing continuity in the application of this Act in cases where persons are so treated.

[[F51](5) In relation to a company which is a taxable person, the reference in subsection (4) above to the taxable person having become bankrupt or incapacitated shall be construed as a reference to its being in liquidation or receivership or to an admission order being in force in relation to it.**]**

Textual Amendments

F51 S. 31(5) added by Finance Act 1985 (c. 54, SIF 40:2), **s. 31**

32 Agents, etc.

(1) Where a person who is accountable for any tax, or on whom any duties are imposed by or under this Act, is not resident in the United Kingdom, the Commissioners may by notice in writing served on any agent, manager or factor who is resident in the United Kingdom and has acted on behalf of that person in matters by reference to which that person is accountable or the duties are imposed, direct that he shall be substituted for that person as the person accountable for the tax or that he shall be under an obligation to discharge those duties or any of them.

(2) For the purposes of this Act goods imported by a taxable person and supplied by him as agent for a person who is not a taxable person may be treated as imported and supplied by the taxable person as principal.

(3) For the purposes of subsection (2) above a person who is not resident in the United Kingdom and whose place or principal place of business is outside the United Kingdom may be treated as not being a taxable person if as a result he will not be required to be registered under this Act.

(4) Where goods or services are supplied through an agent who acts in his own name the Commissioners may, if they think fit, treat the supply both as a supply to the agent and as a supply by the agent.

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VALID FROM 01/12/1992

[F52 32A Tax representatives.

(1) Where any person—

(a) is a taxable person for the purposes of this Act or, without being a taxable person, is a person who makes taxable supplies or who acquires goods in the United Kingdom from one or more other member States;

(b) does not have any business establishment or other fixed establishment in the United Kingdom; and

(c) in the case of an individual, does not have his usual place of residence in the United Kingdom,

the Commissioners may direct that person to appoint another person (in this Act referred to as a "tax representative") to act on his behalf in relation to value added tax.

(2) With the agreement of the Commissioners, any person who has not been required to appoint a tax representative under subsection (1) above may do so if he is a person in relation to whom the conditions specified in paragraphs (a) to (c) of that subsection are satisfied.

(3) Where any person is appointed by virtue of this section to be the tax representative of another (in this section referred to as his "principal"), then, subject to subsections (4) to (6) below, the tax representative—

(a) shall be entitled to act on his principal's behalf for any of the purposes of this Act, of any other enactment (whenever passed) relating to value added tax or of any subordinate legislation made under this Act or any such enactment;

(b) shall, subject to such provisions as may be made by the Commissioners by regulations, secure (where appropriate by acting on his principal's behalf) his principal's compliance with and discharge of the obligations and liabilities to which his principal is subject by virtue of this Act, any such other enactment or any such subordinate legislation; and

(c) shall be personally liable in respect of—

(i) any failure to secure his principal's compliance with or discharge of any such obligation or liability; and

(ii) anything done for purposes connected with acting on his principal's behalf,

as if the obligations and liabilities imposed on his principal were imposed jointly and severally on the tax representative and his principal.

(4) A tax representative shall not be liable by virtue of subsection (3) above himself to be registered under this Act, but regulations made by the Commissioners may—

(a) require the registration of the names of tax representatives against the names of their principals in any register kept for the purposes of this Act; and

(b) make it the duty of a tax representative, for the purposes of registration, to notify the Commissioners, within such period as may be prescribed, that his appointment has taken effect or has ceased to have effect.

(5) A tax representative shall not by virtue of subsection (3) above be guilty of any offence except in so far as—

(a) the tax representative has consented to, or connived in, the commission of the offence by his principal;

(b) the commission of the offence by his principal is attributable to any neglect on the part of the tax representative; or

(c) the offence consists in a contravention by the tax representative of an obligation which, by virtue of that subsection, is imposed both on the tax representative and on his principal.

(6) The Commissioners may by regulations make provision as to the manner and circumstances in which a person is to be appointed, or is to be treated as having ceased to be, another's tax representative; and regulations under this subsection may include such provision as the Commissioners think fit for the purposes of subsection (4) above with respect to the making or deletion of entries in any register.

(7) Where a person fails to appoint a tax representative in accordance with any direction under subsection (1) above, the Commissioners may require him to provide such security, or further security, as they may think appropriate for the payment of any tax which is or may become due from him.

(8) For the purposes of this Act a person shall not be treated as having been directed to appoint a tax representative, or as having been required to provide security under subsection (7) above, unless the Commissioners have either—

(a) served notice of the direction or requirement on him; or

(b) taken all such other steps as appear to them to be reasonable for bringing the direction or requirement to his attention.**]**

Textual Amendments

F52 Ss. 32A and 32B inserted (1.12.1992) by Finance (No. 2) Act 1992 (c. 48), s. 14(2), **Sch. 3 Pt. I para.34**; S.I. 1992/2979, art. 4, **Sch. Pt.II** (with art. 5).

VALID FROM 01/12/1992

[F53]32B Overseas suppliers accounting through their customers.

(1) Where—

(a) a person who makes or intends to make taxable supplies of goods requests the Commissioners to allow his supplies to be taxed in accordance with this section; and

(b) the Commissioners are satisfied that that person is a person to whom this section applies,

the Commissioners may, if they think fit, allow that person's taxable supplies to be so taxed until it appears to them that the person is no longer a person to whom this section applies or that the request is withdrawn or should, for any other reason, no longer be acted upon.

(2) This section applies to a person if—

(a) he does not have any business establishment or other fixed establishment in the United Kingdom and does not have his usual place of residence in the United Kingdom;

(b) he is for the time being neither registered under this Act nor required to be registered under Schedule 1A to this Act;

Status: *Point in time view as at 01/02/1991. This version of this Act contains provisions that are not valid for this point in time.*
Changes to legislation: *There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)*

(c) he does not have a tax representative and is not for the time being required under section 32A above to appoint one; and

(d) he intends that his taxable supplies should be confined to supplies of goods made to taxable persons who are willing to account for and pay the tax chargeable thereon.

(3) A person whose taxable supplies for the time being fall to be taxed in accordance with this section—

(a) shall be a taxable person for the purposes of this Act; but

(b) shall not, by virtue of any provision of this Act, be registered, or be or become liable to be registered, under Schedule 1 to this Act.

(4) Where—

(a) any person's taxable supplies for the time being fall to be taxed in accordance with this section; and

(b) that person makes a taxable supply of goods to a taxable person who has given, and not withdrawn, an undertaking to account for and pay any tax chargeable on supplies of goods made to him by the supplier in question,

it shall be for the person supplied, on the supplier's behalf, to account for and pay any tax on the supply of those goods, and not for the supplier.

(5) Where any person's taxable supplies for the time being fall to be taxed in accordance with this section, any acquisition from another member State by that person of any goods the first supply of which after their acquisition is to a person who under this section is required to account for and pay the tax on that supply shall be treated for the purposes of this Act as taking place outside the United Kingdom.

(6) The Commissioners may by regulations provide—

(a) for the form and manner in which any request under subsection (1) above, or any undertaking such as is mentioned in subsection (4)(b) above, is to be made or withdrawn;

(b) for the manner in which the making or withdrawal of any such undertaking is to be notified to the Commissioners;

(c) for a person whose taxable supplies for the time being fall to be taxed in accordance with this section to be under an obligation to notify the Commissioners if he makes any taxable supply to which subsection (4) above does not apply and which is not zero-rated;

(d) for prescribed provisions of this Act and of any other enactment (whenever passed) relating to value added tax to have effect, where under this section a person supplied with any goods is required to account for and pay any tax on the supply, as if that tax were on supplies or acquisitions made by him.

Textual Amendments

F53 Ss. 32A and 32B inserted (1.12.1992) by Finance (No. 2) Act 1992 (c. 48), s. 14(2), **Sch. 3 Pt. I para.34**; S.I. 1992/2979, art. 4, **Sch. Pt.II** (with art. 5).

33 Transfers of going concerns.

(1) Where a business carried on by a taxable person is transferred to another person as a going concern, then—

(a) for the purpose of determining whether the transferee is liable to be registered under this Act he shall be treated as having carried on the business before as well as after the transfer and supplies by the transferor shall be treated accordingly; and

(b) any records relating to the business which, under paragraph 7 of Schedule 7 to this Act, are required to be preserved for any period after the transfer shall be preserved by the transferee instead of by the transferor, unless the Commissioners, at the request of the transferor, otherwise direct.

[[F54](1A)**]**

(2) Without prejudice to subsection (1) above, the Commissioners may by regulations make provision for securing continuity in the application of this Act in cases where a business carried on by a taxable person is transferred to another person as a going concern and the transferee is registered under this Act in substitution for the transferor.

(3) Regulations under subsection (2) above may, in particular, provide—

(a) for liabilities and duties under this Act of the transferor to become, to such extent as may be provided by the regulations, liabilities and duties of the transferee; and

(b) for any right of either of them to repayment or credit in respect of tax to be satisfied by making a repayment or allowing a credit to the other;

but no such provision as is mentioned in paragraph (a) or (b) of this subsection shall have effect in relation to any transferor and transferee unless an application in that behalf has been made by them under the regulations.

Textual Amendments

F54 S. 33(1A) inserted by Finance Act 1987 (c. 16, SIF 40:2), s. 19(2), **Sch. 2 para. 3** and repealed by Finance Act 1990 (c. 29, SIF 40:2), ss. 10(7)(10), 132, **Sch. 19 Pt. III** Note 3

34 Terminal markets.

(1) The Treasury may by order make provision for modifying the provisions of this Act in their application to dealings on terminal markets and such persons ordinarily engaged in such dealings as may be specified in the order, subject to such conditions as may be so specified.

(2) Without prejudice to the generality of subsection (1) above, an order under this section may include provision—

(a) for zero-rating the supply of any goods or services or for treating the supply of any goods or services as exempt;

(b) for the registration under this Act of any body of persons representing persons ordinarily engaged in dealing on a terminal market and for disregarding such dealings by persons so represented in determining liability to be registered under this Act, and for disregarding such dealings between persons so represented for all the purposes of this Act;

(c) for refunding, to such persons as may be specified by or under the order, input tax attributable to such dealings on a terminal market as may be so specified,

and may contain such incidental and supplementary provisions as appear to the Treasury to be necessary or expedient.

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Changes to legislation: *There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)*

(3) An order under this section may make different provision with respect to different terminal markets and with respect to different commodities.

35 Supplies of dutiable goods in warehouse.

(1) Where imported goods subject to a duty of customs or excise or a duty of customs and a duty of excise are supplied while warehoused, the supply **[**[F55]shall except where the contrary intention appears, be disregarded**]**for the purposes of this Act if the goods are supplied before payment of the duty to which they are subject or, where they are subject to a duty of customs and a duty of excise, of the duty of excise.

(2) Where goods produced or manufactured in the United Kingdom subject to a duty of excise or such goods mixed with imported goods subject to a duty (whether of customs or excise) are supplied while warehoused and before payment of the duty, then—

(a) if there is more than one such supply, any but the last such supply **[**[F55]shall except where the contrary intention appears, be disregarded**]**for the purposes of this Act; and

(b) the supply or, if more than one, the last such supply shall be treated for the purposes of this Act as taking place when the duty is paid and the value of the supply shall be treated as including the duty; and

(c) the tax on the supply shall be payable, together with the duty, by the person by whom the duty is paid, except as otherwise provided by regulations under this section,

except that, if the goods are permitted to be removed from warehouse without payment of the duty, the supply (or last supply) shall be treated as taking place when the goods are so removed, the value of the supply shall not be treated as including the duty and the tax on the supply shall be payable by the person by whom the goods are removed.

(3) The Commissioners may by regulations make provision for enabling goods which are supplied as mentioned in subsection (2) above, and are so supplied to a taxable person for the purpose of a business carried on by him, to be removed from warehouse without payment of the tax on the supply and for that tax to be accounted for together with the tax chargeable on the supply of goods or services by him.

(4) Subsection (1) above applies in relation to any amount payable under section 6(5) of the [M22]European Communities Act 1972 as it applies in relation to a duty of customs.

(5) For the purposes of subsection (2)(b) above the amount of any duty shall be taken to be the amount with any addition or deduction falling to be made under section 1 of the [M23]Excise Duties (Surcharges or Rebates) Act 1979 (surcharges and rebates in respect of excise duties).

Textual Amendments

F55 Words substituted by Finance Act 1987 (c. 16, SIF 40:2), **s. 12(3)(4)**

Marginal Citations

M22 1972 c. 68.

M23 1979 c. 8.

[F56 35A Buildings and land.

(1) Schedule 6A to this Act shall have effect with respect to buildings and land.

(2) The Treasury may by order amend Schedule 6A to this Act.]

Textual Amendments

F56 S. 35A inserted by Finance Act 1989 (c. 26, SIF 40:2), s. 18, **Sch. 3 para. 6(1)**

36 Capital goods.

(1) The Treasury may by order make provision for the giving of relief, in such cases, to such extent and subject to such exceptions as may be specified in the order, from tax paid on the supply or importation for the purpose of a business carried on by any person of machinery or plant or any specified description of machinery or plant in cases where that tax or part of that tax cannot be credited under section 14 above and such other conditions are satisfied as may be specified in the order.

(2) Without prejudice to the generality of subsection (1) above, an order under this section may provide for relief to be given by deduction or refunding of tax and for aggregating or excluding the aggregation of value where goods of the same description are supplied or imported together.

(3) An order under this section may substitute a period exceeding three years but not exceeding six years as the period for which records relating to goods in respect of which relief is given under the order may be required to be preserved under paragraph 7(2) of Schedule 7 to this Act.

37 Trading stamp schemes.

The Commissioners may by regulations make provision for modifying section 10 above and paragraph 6 of Schedule 4 to this Act in their application to the supply of goods under trading stamp schemes within the meaning of the [M24]Trading Stamps Act 1964 or the [M25]Trading Stamps Act (Northern Ireland) 1965.

Marginal Citations

M24 1964 c. 71.

M25 1965 c. 6 (N.I.).

[F57 37A Tour operators.

(1) The Treasury may by order modify the application of this Act in relation to supplies of goods or services by tour operators or in relation to such of those supplies as may be determined by or under the order.

(2) Without prejudice to the generality of subsection (1) above, an order under this section may make provision—

(a) for two or more supplies of goods or services by a tour operator to be treated as a single supply of services;

(b) for the value of that supply to be ascertained, in such manner as may be determined by or under the order, by reference to the difference between sums paid or payable to and sums paid or payable by the tour operator;

(c) for account to be taken, in determining the tax chargeable on that supply, of the different rates of tax that would have been applicable apart from this section;

(d) excluding any body corporate from the application of section 29 above;

(e) as to the time when a supply is to be treated as taking place.

(3) In this section "tour operator" includes a travel agent acting as principal and any other person providing for the benefit of travellers services of any kind commonly provided by tour operators or travel agents.

(4) Section 45(3) below shall not apply to an order under this section, notwithstanding that it makes provision for excluding any tax from credit under section 14 above.**]**

Textual Amendments

F57 S. 37A added by Finance Act 1987 (c. 16, SIF 40:2), **s. 16(1)**

VALID FROM 01/08/1992

[F58 37B Special treatment for persons involved in farming etc.

(1) The Commissioners may, in accordance with such provision as may be contained in regulations made by them, certify for the purposes of this section any person who satisfies them—

(a) that he is carrying on a business involving one or more designated activities;

(b) that he is of such a description and has complied with such requirements as may be prescribed; and

(c) where an earlier certification of that person has been cancelled, that more than the prescribed period has elapsed since the cancellation or that such other conditions as may be prescribed are satisfied.

(3) The Commissioners may by regulations provide for an amount included in the consideration for any taxable supply which is made—

(a) in the course or furtherance of the relevant part of his business by a person who is for the time being certified under this section;

(b) at a time when that person is not a taxable person; and

(c) to a taxable person,

to be treated, for the purpose of determining the entitlement of the person supplied to credit under sections 14 and 15 above, as tax on a supply to that person.

(4) The amount which, for the purposes of any provision made under subsection (3) above, may be included in the consideration for any supply shall be an amount equal to such percentage as the Treasury may by order specify of the sum which, with the addition of that amount, is equal to the consideration for the supply.

(5) The Commissioners' power by regulations under section 23 above to provide for the repayment to persons to whom that section applies of tax which would be input tax of theirs if they were taxable persons in the United Kingdom includes power to provide

for the payment to persons to whom that section applies of sums equal to the amounts which, if they were taxable persons in the United Kingdom, would be input tax of theirs by virtue of regulations under this section; and references in that section, or in any other enactment, to a repayment of tax shall be construed accordingly.

(6) Regulations under this section may provide—

(a) for the form and manner in which an application for certification under this section, or for the cancellation of any such certification, is to be made; and

(b) for the cases and manner in which the Commissioners may cancel a person's certification;

(c) for entitlement to a credit such as is mentioned in subsection (3) above to depend on the issue of an invoice containing such particulars as may be prescribed, or as may be notified by the Commissioners in accordance with provision contained in regulations; and

(d) for the imposition on certified persons of obligations with respect to the keeping, preservation and production of such records as may be prescribed and of obligations to comply with such requirements with respect to any of those matters as may be so notified;

and regulations made by virtue of paragraph (b) above may confer on the Commissioners power, if they think fit, to refuse to cancel a person's certification, and to refuse to give effect to any entitlement of that person to be registered, until the end of such period after the grant of certification as may be prescribed.

(7) In this section references, in relation to any person, to the relevant part of his business are references—

(a) where the whole of his business relates to the carrying on of one or more designated activities, to that business; and

(b) in any other case, to so much of his business as does so relate.

(8) In this section "designated activities" means such activities, being activities carried on by a person who, by virtue of carrying them on, falls to be treated as a farmer for the purposes of Article 25 of the directive of the Council of the European Communities dated 17th May 1977 No. 77/388/EEC (common flat-rate scheme for farmers), as the Treasury may by order designate.**]**

Textual Amendments

F58 S. 37B(1)(3)-(8) inserted (1.8.1992) by Finance (No. 2) Act 1992 (c. 48), **s. 16(1)**; S.I. 1992/1867, art. 3, **Sch. Pt.I**.

VALID FROM 27/07/1993

[F59 37C Customers to account for tax on supplies of gold etc.

(1) Where any person makes a supply of gold to another person and that supply is a taxable supply but not a zero-rated supply, the supply shall be treated for the purposes of Schedule 1 to this Act—

(a) as a taxable supply of that other person (as well as a taxable supply of the person who makes it); and

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Changes to legislation: *There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)*

(b) in so far as that other person is supplied in connection with the carrying on by him of any business, as a supply made by him in the course or furtherance of that business;

but nothing in paragraph (b) above shall require any supply to be disregarded for the purposes of that Schedule on the grounds that it is a supply of capital assets of that other person's business.

(2) Where a taxable person makes a supply of gold to a person who—

(a) is himself a taxable person at the time when the supply is made; and

(b) is supplied in connection with the carrying on by him of any business,

it shall be for the person supplied, on the supplier's behalf, to account for and pay tax on the supply, and not for the supplier.

(3) So much of this Act and of any other enactment or any subordinate legislation as has effect for the purposes of, or in connection with, the enforcement of any obligation to account for and pay value added tax shall apply for the purposes of this section in relation to any person who is required under subsection (2) above to account for and pay any tax as if that tax were tax on a supply made by him.

(4) Section 5(1) to (5) above shall not apply for determining when any supply of gold is to be treated as taking place.

(5) References in this section to a supply of gold are references to—

(a) any supply of goods consisting in gold, including gold coins, or

(b) any supply of goods containing gold where the consideration for the supply (apart from any tax) is, or is equivalent to, an amount which does not exceed, or exceeds by no more than a negligible amount, the open market value of the gold contained in the goods.

(6) The Treasury may by order provide for this section to apply, as it applies to the supplies specified in subsection (5) above, to such other supplies of—

(a) goods consisting in or containing any precious or semi-precious metal or stones; or

(b) services relating to, or to anything containing, any precious or semi-precious metal or stones,

as may be specified or described in the order.**]**

Textual Amendments

F59 S. 37C inserted (27.7.1993 with effect as mentioned in s. 45(3) of the inserting Act) by 1993 c. 34, **s. 45(1)(3)**

General

38 Administration, collection and enforcement.

Schedule 7 to this Act shall have effect with respect to the administration, collection and enforcement of the tax.

VALID FROM 25/07/1991

[F60 38A Interest in certain cases of official error.

(1) Where, due to an error on the part of the Commissioners, a person—

(a) has accounted to them for an amount by way of output tax which was not output tax due from him and which they are in consequence liable to repay to him, or

(b) has failed to claim credit under section 14 above for an amount for which he was entitled so to claim credit and which they are in consequence liable to pay to him, or

(c) has (otherwise than in a case falling within paragraph (a) or (b) above) paid to them by way of value added tax an amount that was not tax due and which they are in consequence liable to repay to him, or

(d) has suffered delay in receiving payment of an amount due to him from them in connection with value added tax,

then, if and to the extent that they would not be liable to do so apart from this section, they shall pay interest to him on that amount for the applicable period, but subject to the following provisions of this section.

(2) Nothing in subsection (1) above requires the Commissioners to pay interest—

(a) on any amount which falls to be increased by a supplement under section 20 of the Finance Act 1985 (repayment supplement on certain delayed payments or refunds); or

(b) where an amount is increased under that section, on so much of the increased amount as represents the supplement.

(3) Interest under this section shall be payable at such rates as may from time to time be prescribed by order made by the Treasury; and any such order—

(a) may prescribe different rates for different purposes; and

(b) shall apply to interest for periods beginning on or after the date on which the order is expressed to come into force, whether or not interest runs from before that date;

and the first such order may prescribe, for cases where interest runs from before the date on which that order is expressed to come into force, rates for periods ending before that date.

(4) The "applicable period" in a case falling within paragraph (a) or (b) of subsection (1) above is the period—

(a) beginning with the appropriate commencement date, and

(b) ending with the date on which the Commissioners authorise payment of the amount on which the interest is payable.

(5) In subsection (4) above, the "appropriate commencement date"—

(a) in a case where an amount would have been due from the person by way of value added tax in connection with the relevant return, had his input tax and output tax been as stated in that return, means the date on which the Commissioners received payment of that amount; and

(b) in a case where no such payment would have been due from him in connection with that return, means the date on which the Commissioners

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would, apart from the error, have authorised payment of the amount on which the interest is payable;

and in this subsection "the relevant return" means the return in which the person accounted for, or (as the case may be) ought to have claimed credit for, the amount on which the interest is payable.

(6) The "applicable period" in a case falling within paragraph (c) of subsection (1) above is the period—

(a) beginning with the date on which the payment is received by the Commissioners, and

(b) ending with the date on which they authorise payment of the amount on which the interest is payable.

(7) The "applicable period" in a case falling within paragraph (d) of that subsection is the period—

(a) beginning with the date on which, apart from the error, the Commissioners might reasonably have been expected to authorise payment of the amount on which the interest is payable, and

(b) ending with the date on which they in fact authorise payment of that amount.

(8) In determining in accordance with subsection (4), (6) or (7) above the applicable period for the purposes of subsection (1) above, there shall be left out of account any period referable to the raising and answering of any reasonable inquiry relating to any matter giving rise to, or otherwise connected with, the person's entitlement to interest under this section.

(9) The Commissioners shall only be liable to pay interest under this section on a claim made in writing for that purpose.

(10) No claim shall be made under this section after the expiry of six years from the date on which the claimant discovered the error or could with reasonable diligence have discovered it.

(11) In this section—

(a) any reference to receiving a payment from the Commissioners includes a reference to the discharge, by way of set-off, of their liability to make it; and

(b) any reference to a return is a reference to a return required to be made in accordance with paragraph 2 of Schedule 7 to this Act.

(12) This section confers a right to interest in respect of periods before as well as after its coming into force.**]**

Textual Amendments

F60 S. 38A inserted by Finance Act 1991 (c. 31, SIF 40:2), **s. 17(1)**

VALID FROM 25/07/1991

[F61]38B Interest: general treatment.

(1) Any interest payable by the Commissioners (whether under an enactment or instrument or otherwise) to a person on a sum due to him under or by virtue of—
  (a) any provision of this Act,
  (b) section 25 of the Finance Act 1985, or
  (c) section 24 of the Finance Act 1989,

shall be treated as an amount due to him by way of credit under section 14(5) above.

(2) Subsection (1) above shall be disregarded for the purpose of determining a person's entitlement to interest or the amount of interest to which he is entitled.

Textual Amendments

F61 S. 38B inserted by Finance Act 1991 (c. 31, SIF 40:2), **s. 17(1)**

VALID FROM 16/03/1992

[[F62]38C Payments on account.

(1) The Treasury may make an order under this section if they consider it desirable to do so in the interests of the national economy.

(2) An order under this section may provide that a taxable person of a description specified in the order shall be under a duty—
  (a) to pay, on account of any tax he may become liable to pay in respect of a prescribed accounting period, amounts determined in accordance with the order, and
  (b) to do so at such times as are so determined.

(3) Where an order is made under this section, the Commissioners may make regulations containing such supplementary, incidental or consequential provisions as appear to the Commissioners to be necessary or expedient.

(4) A provision of an order or regulations under this section may be made in such way as the Treasury or, as the case may be, the Commissioners think fit (whether by amending provisions of or made under the enactments relating to tax, or otherwise).

(5) An order or regulations under this section may make different provision for different circumstances.**]**

Textual Amendments

F62 S. 38C inserted (16.3.1992) by Finance Act 1992 (c. 20), **s. 6(1)**.

Status: *Point in time view as at 01/02/1991. This version of this Act contains provisions that are not valid for this point in time.*
Changes to legislation: *There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)*

39 Offences and penalties.

(1) If any person is knowingly concerned in, or in the taking of steps with a view to, the fraudulent evasion of tax by him or any other person, he shall be liable—

(a) on summary conviction, to a penalty of the statutory maximum or of three times the amount of the tax, whichever is the greater, or to imprisonment for a term not exceeding 6 months or to both; or

(b) on conviction on indictment, to a penalty of any amount or to imprisonment for a term not exceeding 7 years or to both.

(1A) Any reference in subsection (1) above or subsection (3) below to the evasion of tax includes a reference to the obtaining of—

(a) a payment under section 14(5) above; or

(b) a refund under section 21 or section 22 above **[**[F63]or section 11 of the Finance Act 1990**]**; or

(c) a repayment under section 23 above;

and any reference in those subsections to the amount of the tax shall be construed,—

(i) in relation to tax itself or a payment falling within paragraph (a) above, as a reference to the aggregate of the amount (if any) falsely claimed by way of credit for input tax and the amount (if any) by which output tax was falsely understated; and

(ii) in relation to a refund or repayment falling within paragraph (b) or paragraph (c) above, as a reference to the amount falsely claimed by way of refund or repayment.

(2) If any person—

(a) with intent to deceive produces, furnishes or sends for the purposes of this Act or otherwise makes use for those purposes of any document which is false in a material particular; or

(b) in furnishing any information for the purposes of this Act makes any statement which he knows to be false in a material particular or recklessly makes a statement which is false in a material particular,

he shall be liable—

(i) on summary conviction, to a penalty of the statutory maximum or, where subsection (2A) or subsection (2B) below applies, to the alternative penalty specified in that subsection if it is greater, or to imprisonment for a term not exceeding 6 months or to both; or

(ii) on conviction on indictment, to a penalty of any amount or to imprisonment for a term not exceeding 7 years or to both.

(2A) In any case where—

(a) the document referred to in subsection (2)(a) above is a return required under this Act, or

(b) the information referred to in subsection (2)(b) above is contained in or otherwise relevant to such a return,

the alternative penalty referred to in subsection (2)(i) above is a penalty equal to three times the aggregate of the amount (if any) falsely claimed by way of credit for input tax and the amount (if any) by which output tax was falsely understated.

(2B) In any case where—

(a) the document referred to in subsection (2)(a) above is a claim for a refund under section 21 or section 22 above or for a repayment under section 23 above, or

(b) the information referred to in subsection (2)(b) above is contained in or otherwise relevant to such a claim.

the alternative penalty referred to in subsection (2)(i) above is a penalty equal to three times the amount falsely claimed.

(2C) The reference in subsection (2)(a) above to furnishing, sending or otherwise making use of a document which is false in a material particular, with intent to deceive, includes a reference to furnishing, sending or otherwise making use of such a document, with intent to secure that a machine will respond to the document as if it were a true document.

(2D) Any reference in subsection (2)(a) or subsection (2C) above to producing, furnishing or sending a document includes a reference to causing a document to be produced, furnished or sent.

(3) Where a person's conduct during any specified period must have involved the commission by him of one or more offences under the preceding provisions of this section, then, whether or not the particulars of that offence or those offences are known, he shall, by virtue of this subsection, be guilty of an offence and liable—

(a) on summary conviction, to a penalty of the statutory maximum or, if greater, three times the amount of any tax that was or was intended to be evaded by his conduct, or to imprisonment for a term not exceeding 6 months or to both; or

(b) on conviction on indictment, to a penalty of any amount or to imprisonment for a term not exceeding 7 years or to both.

(3A) Where an authorised person has reasonable grounds for suspecting that an offence has been committed under the preceding provisions of this section, he may arrest anyone whom he has reasonable grounds for suspecting to be guilty of the offence.

(4) If any person acquires possession of or deals with any goods, or accepts the supply of any services having reason to believe that tax on the supply of the goods or services or on the importation of the goods has been or will be evaded, he shall be liable on summary conviction to a penalty of level 5 on the standard scale or three times the amount of the tax, whichever is the greater.

(5) If any person supplies goods or services in contravention of paragraph 5(2) of Schedule 7 to this Act, he shall be liable on summary conviction to a penalty of level 5 on the standard scale.

(6) If a person other than—

(a) a person registered under this Act; or

(b) a body corporate treated for the purposes of section 29 above as a member of a group; or

(c) a person treated as a taxable person under regulations made under section 31(4) above; or

(d) a person authorised to do so under regulations made under paragraph 2(6) of Schedule 7 to this Act; or

(e) a person acting on behalf of the Crown,

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Changes to legislation: *There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)*

issues an invoice showing an amount as being tax or as being attributable to tax, he shall be liable on summary conviction to a penalty of level 5 on the standard scale or three times the amount so shown, whichever is the greater.

(7) If any person fails to comply with any requirement imposed under paragraph 7 or 8 of Schedule 7 to this Act or any regulations or rules made under this Act, he shall be liable on summary conviction to a penalty of level 3 on the standard scale, together with a penalty of £10 for each day on which the failure continues.

(8) Where **[**[F64]a person's failure to comply with any regulations made under this Act**]**consists—

(a) in not paying the tax due in respect of any period within the time required by regulations under section 14(1) above; or

(b) in not furnishing a return in respect of any period within the time required by regulations under paragraph 2(1) of Schedule 7 to this Act,

[[F65]that person shall be liable on summary conviction to a penalty of level 3 on the standard scale, together with a penalty of whichever is the greater of £10 and**]**an amount equal to 1/2 per cent. of the tax due in respect of that period, for each day on which the failure continues; and for that purpose the tax due shall, if the person concerned has furnished a return, be taken to be the tax shown in the return as that for which he is accountable for that period and, in any other case, be taken to be such tax as has been assessed and notified to him under paragraph 4(1) of Schedule 7 to this Act.

(9) Sections 145 to 155 of the [M26]Customs and Excise Management Act 1979 (proceedings for offences, mitigation of penalties and certain other matters) shall apply in relation to offences under this Act (which include any act or omission in respect of which a penalty is imposed) and penalties imposed under this Act as they apply in relation to offences and penalties under the customs and excise Acts as defined in that Act; and accordingly in section 154(2) as it applies by virtue of this subsection the reference to duty shall be construed as a reference to the tax.

Textual Amendments

F63 Words inserted by Finance Act 1990 (c. 29, SIF 40:2), **s. 11(11)(a)**

F64 Words substituted by Finance Act 1985 (c. 54, SIF 40:2), **s. 12(8)**(*a*)

F65 Words substituted by Finance Act 1985 (c. 54, SIF 40:2), **s. 12(8)**(*b*)

Modifications etc. (not altering text)

C24 By Finance Act 1985 (c. 54, SIF 40:2) s. 12(9) it is provided that section 39, excluding subsection (8), has effect in accordance with the provisions of section 12(1)–(7) of that Act as set out in Sch. 6 thereto

C25 By Finance Act 1985 (c. 54, SIF 40:2) s. 12(7) it is provided that s. 39(6)(7) shall not have effect

C26 The text of S. 39(6)(7) is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

C27 S. 39(8) excluded by Finance Act 1985 (c. 54, SIF 40:2), **s. 12(8)**

C28 S. 39(9) excluded by Finance Act 1985 (c. 54, SIF 40:2), **s. 33(5)**

Marginal Citations

M26 1979 c. 2**(40:1).**

40 Appeals.

(1) An appeal shall lie to a value added tax tribunal constituted in accordance with Schedule 8 to this Act against the decision of the Commissioners with respect to any of the following matters—

(a) the registration or cancellation of registration of any person under this Act;

(b) the tax chargeable on the supply of any goods or services or, subject to subsection (5) below, on the importation of any goods;

(c) the amount of any input tax which may be credited to a person;

[[F66](d) the proportion of input tax allowable under section 15 above**]**;

(e) the amount of any refunds under section 21 above;

(f) a claim for a refund under section 22 above **[**[F67]or section 11 of the Finance Act 1990**]**;

(g) a claim by a taxable person under section 26 above;

(h) any refusal of an application under section 29 above;

[[F68](hh) any direction or supplementary direction made under paragraph 1A of Schedule 1 to this Act**]**

(i)

[F69](j) any direction under paragraph 1, 2 or 3 of Schedule 4 to this Act;

(k) any refusal to permit the value of supplies to be determined by a method described in a notice published under paragraph 2(3) of Schedule 7 to this Act;

(l) any requirements imposed by the Commissioners in a particular case under paragraph 3(2)(b) of Schedule 7 to this Act;

(m) an assessment—

(i) under sub-paragraph (1) or (2) of paragraph 4 of Schedule 7 to this Act in respect of a period for which the appellant has made a return under this Act; or

(ii) under sub-paragraph (6) of that paragraph,

or the amount of such an assessment;

(n) the requirement of any security under paragraph 5(2) of Schedule 7 to this Act.

[[F70](o) any liability to a penalty or surcharge by virtue of any of sections 13 to 17 and 19 of the Finance Act 1985;

(p) the amount of any penalty, interest or surcharge specified in an assessment under section 21 of that Act;

(q) the making of an assessment on the basis set out in section 22(4) of that Act.**]**

[[F71](r) any refusal of authorisation or termination of authorisation in connection with the scheme made under paragraph 2(3A) of Schedule 7 to this Act;**]**

[[F72](s) a claim for the repayment of an amount under section 24 of the Finance Act 1989 (recovery of overpaid tax).**]**

[[F73](1A) Without prejudice to section 13(4) of the Finance Act 1985, nothing in subsection (1)(p) above shall be taken to confer on a tribunal any power to vary an amount assessed by way of penalty, interest or surcharge except in so far as it is necessary to reduce it to the amount which is appropriate under sections 13 to 19 of that Act.**]**

(2) An appeal under this section shall not be entertained unless the appellant has made all the returns which he was required to make under paragraph 2(1) of Schedule 7 to this Act and **[**[F74]except in the case of an appeal against a decision with respect to the matter mentioned in subsection (1)(*n*) above, unless he**]**has paid the amounts shown in those returns as payable by him.

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Changes to legislation: *There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)*

(3) Where the appeal is against a decision with respect to any of the matters mentioned in **[**[F75]any of paragraphs (*b*), (*m*), (*o*) and (*p*)**]**of subsection (1) above it shall not be entertained unless—

(a) the amount which the Commissioners have determined to be payable as tax has been paid or deposited with them; or

(b) on being satisfied that the appellant would otherwise suffer hardship the Commissioners agree or the value added tax tribunal decides that it should be entertained notwithstanding that that amount has not been so paid or deposited.

[[F76](3A) **[**[F77]Where there is an appeal against a decision to make such a direction as is mentioned in subsection (1) (*hh*) above, the tribunal shall not allow the appeal unless it considers that the Commissioners could not reasonably have been satisfied as to the matters in paragraph (*a*) to (*d*) of sub-paragraph (2) of paragraph 1A of Schedule 1 to this Act or, as the case may be, as to the matters in sub-paragraph (4) of that paragraph.

(3B) Where, on an appeal against a decision with respect to any of the matters mentioned in subsection (1)(*m*) above**]**;-

(a) it is found that the amount specified in the assessment is less than it ought to have been, and

(b) the tribunal gives a direction specifying the correct amount,

the assessment shall have effect as an assessment of the amount specified in the direction and that amount shall be deemed to have been notified to the appellant.**]**

(4) Where on an appeal under this section it is found—

(a) that the whole or part of any amount paid or deposited in pursuance of subsection (3) above is not due; or

(b) that the whole or part of any amount due to the appellant under section 14(5) above has not been paid,

so much of that amount as is found not to be due or not to have been paid shall be repaid (or, as the case may be, paid) with interest at such rate as the value added tax tribunal may determine; and where the appeal has been entertained notwithstanding that an amount determined by the Commissioners to be payable as tax has not been paid or deposited and it is found on the appeal that that amount is due the tribunal may, if it thinks fit, direct that that amount shall be paid with interest at such rate as may be specified in the direction.

(5) No appeal shall lie under this section with respect to any matter that has been or could have been referred to arbitration under section 127 of the [M27]Customs and Excise Management Act 1979 as applied by section 24 above.

(6) Where an appeal under this section is against a decision of the Commissioners which depended upon a prior decision taken by them in relation to the appellant, the fact that the prior decision is not within subsection (1) above shall not prevent the tribunal from allowing the appeal on the ground that it would have allowed an appeal against the prior decision.

Textual Amendments

F66 S. 40(1)(*d*) substituted by Finance Act 1987 (c. 16, SIF 40:2), s. 19(2), **Sch. 2 para. 4**

F67 Words inserted by Finance Act 1990 (c. 29, SIF 40:2), **s. 11(11)(b)**

F68 S. 40(1)(*hh*) inserted by Finance Act 1986 (c. 41, SIF 40:2), **s. 10(2)**

F69 S. 40(1)(*i*) repealed by Finance Act 1988 (c. 39, SIF 40:2), s. 148, **Sch. 14 Pt. III**
F70 S. 40(1)(*o*)-(*q*) added by Finance Act 1985 (c. 54, SIF 40:2), **s. 24(1)**,
F71 S. 40(1)(*r*) added by S.I. 1987/1427, **reg. 11**
F72 S. 40(1)(*s*) added by Finance Act 1989 (c. 26, SIF 40:2), **s. 24(9)**
F73 S. 40(1A) inserted by Finance Act 1985 (c. 54, SIF 40:2), **s. 24(2)**
F74 Words inserted by Finance Act 1985 (c. 54, SIF 40:2) s. 24(3)
F75 Words substituted by Finance Act 1985 (c. 54, SIF 40:2), **s. 24(4)**
F76 S. 40(3A)(3B) inserted by Finance Act 1985 (c. 54, SIF 40:2), **s. 24(5)**
F77 Words substituted by Finance Act 1986 (c. 41, SIF 40:2), **s. 10(3)**

Modifications etc. (not altering text)
C29 S. 40 extended by Finance Act 1986 (c. 41, SIF 40:2), **s. 14(6)**
C30 S. 40(1)(*c*) modified by S.I. 1987/2015, **reg. 11**
C31 S. 40(1A) extended by Finance Act 1986 (c.41, SIF 40:2), **s. 14(6)**

Marginal Citations
M27 1979 c. 2.

41 Supplies spanning change of rate, etc.

(1) This section applies where there is a change in the rate of tax in force under section 9 above or in the descriptions of exempt or zero-rated supplies.

(2) Where—
- (a) a supply affected by the change would, apart from section 5(1), (2), (3) or (5) above, be treated under section 4(2) or (3) above as made wholly or partly at a time when it would not have been affected by the change; or
- (b) a supply not so affected would apart from section 5(1), (2), (3) or (5) above be treated under section 4(2) or (3) above as made wholly or partly at a time when it would have been so affected, the rate at which tax is chargeable on the supply, or any question whether it is zero-rated or exempt, shall if the person making it so elects be determined without regard to section 5(1), (2), (3) or (5) above.

(3) Any power to make regulations under this Act with respect to the time when a supply is to be treated as taking place shall include power to provide for this section to apply as if the references in subsection (2) above to section 5(1), (2), (3) and (5) included references to specified provisions of the regulations.

(4) Regulations under paragraph 2 of Schedule 7 to this Act may make provision for the replacement or correction of any tax invoice which—
- (a) relates to a supply in respect of which an election is made under this section, but
- (b) was issued before the election was made.

(5) No election may be made under this section in respect of a supply to which section 5(4) above or paragraph 6 of Schedule 2 to this Act applies.

Modifications etc. (not altering text)
C32 S. 41 extended by S.I. 1985/886, **reg. 28**

Status: *Point in time view as at 01/02/1991. This version of this Act contains provisions that are not valid for this point in time.*
Changes to legislation: *There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)*

42 Adjustment of contracts on changes in tax.

(1) Where, after the making of a contract for the supply of goods or services and before the goods or services are supplied, there is a change in the tax charged on the supply, then, unless the contract otherwise provided, there shall be added to or deducted from the consideration for the supply an amount equal to the change.

[[F78](1A) Subsection (1) above shall apply in relation to a tenancy or lease as it applies in relation to a contract except that a term of a tenancy or lease shall not be taken to provide that the rule contained in that subsection is not to apply in the case of the tenancy or lease if the term does not refer specifically to value added tax or this section.**]**

(2) References in this section to a change in the tax charged on a supply include references to a change to or from no tax being charged on the supply **[**[F79](including a change attributable to the making of an election under paragraph 2 of Schedule 6A to this Act)**]**.

Textual Amendments

F78 S. 42(1A) inserted by Finance Act 1989 (c. 26, SIF 40:2), s. 18, **Sch. 3 para. 7(a)**

F79 Words added by by Finance Act 1989 (c. 26, SIF 40:2), s. 18, **Sch. 3 para. 7(b)**

43 Failure of resolution under Provisional Collection of Taxes Act 1968.

(1) Where—

(a) by virtue of a resolution having effect under the [M28]Provisional Collection of Taxes Act 1968 value added tax has been paid at a rate specified in the resolution on the supply of any goods or services by reference to a value determined under section 10(2) above, and

(b) by virtue of section 1(6) or (7) or 5(3) of the said Act of 1968 any of that tax is repayable in consequence of the restoration in relation to that supply of a lower rate,

the amount repayable shall be the difference between the tax paid by reference to that value at the rate specified in the resolution and the tax that would have been payable by reference to that value at the lower rate.

(2) Where—

(a) by virtue of such a resolution value added tax is chargeable at a rate specified in the resolution on the supply of any goods or services by reference to a value determined under the said section 10(2), but,

(b) before the tax is paid it ceases to be chargeable at that rate in consequence of the restoration in relation to that supply of a lower rate,

the tax chargeable at the lower rate shall be charged by reference to the same value as that by reference to which tax would have been chargeable at the rate specified in the resolution.

(3) The tax that may be credited as input tax under section 14 above or refunded under section 20 or 21 above does not include tax that has been repaid by virtue of any of the provisions mentioned in subsection (1)(b) above or that would be repayable by virtue of any of those provisions if it had been paid.

Marginal Citations

M28 1968, c. 2.

44 Disclosure of information for statistical purposes.

(1) For the purpose of the compilation or maintenance by **[**[F80]the Department of Trade and Industry or the Central Statistical Office of the Chancellor of the Exchequer**]**of a central register of businesses, or for the purpose of any statistical survey conducted or to be conducted by **[**[F80]that Department or Office**]**, the Commissioners or an authorised officer of the Commissioners may disclose to an authorised officer of **[**[F80]that Department or Office**]**particulars of the following descriptions obtained or recorded by them in pursuance of this Act—

(a) numbers allocated by the Commissioners on the registration of persons under this Act and reference numbers for members of a group;

(b) names, trading styles and addresses of persons so registered or of members of groups and status and trade classifications of businesses; and

(c) actual or estimated value of supplies.

(2) Subject to subsection (3) below, no information obtained by virtue of this section by an officer of **[**[F81]the Department of Trade and Industry or the Central Statistical Office**]**may be disclosed except to an officer of a Government department (including a Northern Ireland department) for the purpose for which the information was obtained, or for a like purpose.

(3) Subsection (2) above does not prevent the disclosure—

(a) of any information in the form of a summary so framed as not to enable particulars to be identified as particulars relating to a particular person or to the business carried on by a particular person; or

(b) with the consent of any person, of any information enabling particulars to be identified as particulars relating only to him or to a business carried on by him.

(4) If any person who has obtained any information by virtue of this section discloses it in contravention of this section he shall be liable—

(a) on summary conviction to a fine not exceeding the statutory maximum; and

(b) on conviction on indictment to imprisonment for a term not exceeding 2 years or to a fine of any amount or to both.

(5) In this section references to **[**[F82]the Department of Trade and Industry or the Central Statistical Office of the Chancellor of the Exchequer**]**include references to any Northern Ireland department carrying out similar functions.

Textual Amendments

F80 Words substituted by S.I. 1989/992, art. 6(4), **Sch. 2 para. 1(2)(a)**

F81 Words substituted by S.I. 1989/992, art. 6(4), **Sch. 2 para. 1(2)(b)**

F82 Words substituted by S.I. 1989/992, art. 6(4), **Sch. 2 para. 1(2)(c)**

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Supplemental

45 Orders, rules and regulations.

(1) Any order made by the Treasury under this Act and any regulations or rules under this Act shall be made by statutory instrument.

(2) Subject to subsection (3) below **[**[F83]and section 27(3)(*c*) of the Finance Act 1985**]**, any statutory instrument made under this Act shall be subject to annulment in pursuance of a resolution of the Commons House of Parliament.

(3) An order to which this subsection applies shall be laid before the Commons House of Parliament; and unless it is approved by that House before the expiration of a period of twenty-eight days beginning with the date on which it was made, it shall cease to have effect on the expiration of that period, but without prejudice to anything previously done thereunder or to the making of a new order.

In reckoning any such period no account shall be taken of any time during which Parliament is dissolved or prorogued or during which the Commons House of Parliament is adjourned for more than four days.

(4) **[**[F84]Subject to section 37A(4) above**]**subsection (3) above applies to—

(a) an order under section 3(4) above;

(b) an order as a result of which goods of any description become goods to which section 12(3) above applies;

(c) an order under this Act making provision—

(i) for increasing the rate of tax in force at the time of the making of the order;

(ii) for excluding any tax from credit under section 14 above;

(iii) for varying Schedule 5 or Schedule 6 to this Act so as to abolish the zero-rating of a supply or to abolish the exemption of a supply without zero-rating it.

[[F85](d) an order under section 35A above, except one making only such amendments as are necessary or expedient in consequence of provisions of an order under this Act which-

(i) vary Schedule 5 or Schedule 6 to this Act; but

(ii) are not within paragraph (c) above.**]**

Textual Amendments

F83 Words inserted by Finance Act 1985 (c. 54, SIF 40:2), **s. 27(4)**

F84 Words inserted by Finance Act 1987 (c. 16, SIF 40:2), **s. 16(2)**

F85 S.45(4)(*d*) added by Finance Act 1989 (c. 26, SIF 40:2), s. 18, **Sch. 3 para. 8**

Modifications etc. (not altering text)

C33 S. 45 excluded by Finance Act 1985 (c. 54, SIF 40:2), **s. 33(5)**(*b*) and by Finance Act 1989 (c. 26, SIF 40:2), **ss. 24(11)**, 25(6)

46 Service of notices.

Any notice, notification, requirement or demand to be served on, given to or made of any person for the purposes of this Act may be served, given or made by sending it by post in a letter addressed to that person at his last or usual residence or place of business.

VALID FROM 01/12/1992

[F86 46A Taxation under the laws of other member States etc.

(1) Subject to the following provisions of this section, references in this Act, in relation to another member State, to the law of that member State shall be construed as confined to so much of the law of that member State as for the time being has effect for the purposes of any Community instrument relating to value added tax.

(2) Subject to the following provisions of this section—

(a) references in this Act to a person being taxable in another member State are references to that person being taxable under so much of the law of that member State as makes provision for purposes corresponding, in relation to that member State, to the purposes of so much of this Act as makes provision as to whether a person is a taxable person; and

(b) references in this Act to goods being acquired by a person in another member State are references to goods being treated as so acquired in accordance with provisions of the law of that member State corresponding, in relation to that member State, to so much of this Act as makes provision for treating goods as acquired in the United Kingdom from another member State.

(3) Without prejudice to subsection (5) below, the Commissioners may by regulations make provision for the manner in which any of the following are to be or may be proved for any of the purposes of this Act, that is to say—

(a) the effect of any provisions of the law of any other member State;

(b) that provisions of any such law correspond or have a purpose corresponding, in relation to any member State, to or to the purpose of any provision of this Act.

(4) The Commissioners may by regulations provide—

(a) for a person to be treated for prescribed purposes of this Act as taxable in another member State only where he has given such notification, and furnished such other information, to the Commissioners as may be prescribed;

(b) for the form and manner in which any notification or information is to be given or furnished under the regulations and the particulars which it is to contain;

(c) for the proportion of any consideration for any transaction which is to be taken for the purposes of this Act as representing a liability, under the law of another member State, for value added tax to be conclusively determined by reference to such invoices or in such other manner as may be prescribed.

(5) In any proceedings (whether civil or criminal), a certificate of the Commissioners—

(a) that a person was or was not, at any date, taxable in another member State; or

(b) that any value added tax payable under the law of another member State has or has not been paid,

shall be sufficient evidence of that fact until the contrary is proved, and any document purporting to be a certificate under this subsection shall be deemed to be such a certificate until the contrary is proved.

(6) Without prejudice to the generality of any of the powers of the Commissioners under the information provisions of Schedule 7 to this Act, those powers shall, for the purpose of facilitating compliance with any Community obligations, be exercisable with respect to matters that are relevant to a charge to value added tax under the law of another member State, as they are exercisable with respect to matters that are relevant for any of the purposes of this Act.

(7) The reference in subsection (6) above to the information provisions of Schedule 7 to this Act is a reference to the provisions of that Schedule relating to—

(a) the keeping of accounts;

(b) the making of returns and the submission of other documents to the Commissioners;

(c) the production, use and contents of invoices;

(d) the keeping and preservation of records; and

(e) the furnishing of information and the production of documents.**]**

Textual Amendments

F86 Ss. 46A, 46B inserted (1.12.1992) by Finance (No. 2) Act 1992 (c. 48), s. 14(2), **Sch. 3 Pt. I para.44**; S.I. 1992/2979, art. 4, **Sch. Pt.II** (with art. 5); S.I. 1992/3261, **art. 3**,Sch. (with art. 4).

VALID FROM 01/12/1992

[F87]46B Territories included in references to other member States etc.

(1) The Commissioners may by regulations provide for the territory of the Community, or for the member States, to be treated for any of the purposes of this Act as including or excluding such territories as may be prescribed.

(2) Without prejudice to the generality of the powers conferred by subsection (1) and section 24(1) above, the Commissioners may, for any of the purposes of this Act, by regulations provide for prescribed provisions of any customs and excise legislation to apply in relation to cases where any territory is treated under subsection (1) above as excluded from the territory of the Community, with such exceptions and adaptations as may be prescribed.

(3) In subsection (2) above the reference to customs and excise legislation is a reference to any enactment or subordinate or Community legislation (whenever passed, made or adopted) which has effect in relation to, or to any assigned matter connected with, the importation or exportation of goods.

(4) In subsection (3) above "assigned matter" has the same meaning as in the Customs and Excise Management Act 1979.

Textual Amendments

F87 Ss. 46A, 46B inserted (1.12.1992) by Finance (No. 2) Act 1992 (c. 48), s. 14(2), **Sch. 3 Pt. I para.44**; S.I. 1992/2979, art. 4, **Sch. Pt.II** (with art. 5); S.I. 1992/3261, **art. 3**,Sch. (with art. 4).

47 Meaning of "business", etc.

(1) In this Act "business" includes any trade, profession or vocation.

(2) Without prejudice to the generality of anything else in this Act, the following are deemed to be the carrying on of a business—

(a) the provision by a club, association or organisation (for a subscription or other consideration) of the facilities or advantages available to its members; and

(b) the admission, for a consideration, of persons to any premises.

(3) Where a body has objects which are in the public domain and are of a political, religious, philanthropic, philosophical or patriotic nature, it is not to be treated as carrying on a business only because its members subscribe to it, if a subscription obtains no facility or advantage for the subscriber other than the right to participate in its management or receive reports on its activities.

(4) Where a person, in the course or furtherance of a trade, profession or vocation, accepts any office, services supplied by him as the holder of that office are treated as supplied in the course or furtherance of the trade, profession or vocation.

(5) Anything done in connection with the termination or intended termination of a business is treated as being done in the course or furtherance of that business.

(6) The disposition of a business as a going concern, or of its assets or liabilities (whether or not in connection with its reorganisation or winding up), is a supply made in the course or furtherance of the business.

VALID FROM 01/12/1992

[F88 47A Meaning of "new means of transport".

(1) In this Act "means of transport" in the expression "new means of transport" means any of the following, that is to say—

(a) any ship exceeding 7.5 metres in length;

(b) any aircraft the take-off weight of which exceeds 1550 kilograms;

(c) any motorized land vehicle which—

(i) has an engine with a cylinder capacity exceeding 48 cubic centimetres; or

(ii) is constructed or adapted to be electrically propelled using more than 7.2 kilowatts.

(2) For the purposes of this Act a means of transport shall be treated as new at any time unless at that time—

(a) a period of more than three months has elapsed since its first entry into service; and

(b) it has, since its first entry into service, travelled under its own power—

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(i) in the case of a ship, for more than 100 hours;
(ii) in the case of an aircraft, for more than 40 hours; and
(iii) in the case of a land vehicle, for more than 3000 kilometres.

(3) The Treasury may by order vary this section—
(a) by adding or deleting any ship, aircraft or vehicle of a description specified in the order to or from those which are for the time being specified in subsection (1) above; and
(b) by altering, omitting or adding to the provisions of subsection (2) above for determining whether a means of transport is new.

(4) The Commissioners may by regulations make provision specifying the circumstances in which a means of transport is to be treated for the purposes of this section as having first entered into service.**]**

Textual Amendments

F88 S. 47A inserted (1.12.1992) by Finance (No. 2) Act 1992 (c. 48), s. 14(2), **Sch. 3 Pt. I para.45**; S.I. 1992/2979, art. 4, **Sch. Pt.II** (with art. 5); S.I. 1992/3261, **art. 3**,Sch. (with art. 4).

48 Interpretation.

(1) In this Act—

"assignment", in relation to Scotland, means assignation;

"authorised person" means any person acting under the authority of the Commissioners;

"the Commissioners" means the Commissioners of Customs and Excise;

[[F89]"fee simple"—

(a) in relation to Scotland, means the estate or interest of the proprietor of the dominium utile or, in the case of land not held on feudal tenure, the estate or interest of the owner;

(b) in relation to Northern Ireland, includes the estate of a person who holds land under a fee farm grant;**]**

"invoice" includes any document similar to an invoice;

"input tax" has the meaning assigned to it by section 14 above;

"major interest", in relation to land, means the fee simple or a tenancy for a term certain exceeding 21 years, and in relation to Scotland means—

(a) the estate or interest of the proprietor of the dominium utile, or

(b) in the case of land not held on feudal tenure, the estate or interest of the owner, or the lessee's interest under a lease for a period exceeding 21 years;

"money" includes currencies other than sterling;

"prescribed" means prescribed by regulations;

"prescribed accounting period" has the meaning assigned to it by section 14(1) above;

"quarter" means a period of three months ending at the end of March, June, September or December;

"regulations" means regulations made by the Commissioners under this Act;

"ship" includes hovercraft;

"tax" means value added tax;

[[F90]"taxable person" means a person who is a taxable person under section 2(2) or (5) above;**]**

"taxable supply" has the meaning assigned to it by section 2(2) above.

(2) In this Act "statutory maximum" has the meaning assigned to it by section 74 of the [M29]Criminal Justice Act 1982 [F91]

(3) In this Act "the standard scale" has the meaning assigned to it by section 75 of the Criminal Justice Act 1982 [F91]

(4) Subject to paragraph 3(2) of Schedule 7 to this Act, in any provision contained in or having effect under this Act "document", "copy" and "computer" shall have the same meanings—

(a) in relation to England and Wales, as by virtue of section 10 of the [M30]Civil Evidence Act 1968 they have in Part I of that Act;

(b) in relation to Scotland, as by virtue of section 17 of the [M31]Law Reform (Miscellaneous Provisions) (Scotland) Act 1968 they have in Part III of that Act; and

(c) in relation to Northern Ireland, as by virtue of section 6 of the [M32]Civil Evidence Act (Northern Ireland) 1971 they have in Part I of that Act.

(5) The question whether, in relation to any supply of services, the supplier or the recipient of the supply belongs in one country or another shall be determined in accordance with section 8 above.

(6) Schedules 5 and 6 to this Act shall be interpreted in accordance with the notes contained in those Schedules; and accordingly the powers conferred by this Act to vary those Schedules include a power to add to, delete or vary those notes.

(7) The descriptions of Groups in those Schedules are for ease of reference only and shall not affect the interpretation of the descriptions of items in those Groups.

(8) References in this Act to the United Kingdom include the territorial sea of the United Kingdom.

Textual Amendments

F89 Definition inserted by Finance Act 1989 (c. 26, SIF 40:2), s. 18, **Sch. 3 para. 9**

F90 Definition substituted by Finance Act 1987 (c. 16, SIF 40:2), **s. 13(3)**

F91 Words repealed by S.I. 1984/703, (N.I. 3), art. 19(2), Sch. 7

Modifications etc. (not altering text)

C34 S. 48(4) excluded by S.I. 1984/746, **art. 2(3)**

Marginal Citations

M29 1982 c. 48.

M30 1968 c. 64.

M31 1968 c. 70.

M32 1971 c. 36 (N.I.).

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49 Refund of tax to Government of Northern Ireland.

The Commissioners shall refund to the Government of Northern Ireland the amount of the tax charged on the supply of goods or services to, or on the importation of goods by, that Government, after deducting therefrom so much of that amount as may be agreed between them and the Department of Finance and Personnel for Northern Ireland as attributable to supplies and importations for the purpose of a business carried on by the Government of Northern Ireland.

50 Consequential, transitional and saving provisions and repeals.

(1) Schedule 9 (consequential amendments) and Schedule 10 (savings and transitional provisions) to this Act shall have effect but without prejudice to the operation of sections 15 to 17 of the [M33]Interpretation Act 1978 (which relate to the effect of repeals).

(2) The enactments specified in Schedule 11 to this Act are hereby repealed to the extent mentioned in the third column of that Schedule.

Marginal Citations
M33 1978 c. 30.

51 Short title, commencement and extent.

(1) This Act may be cited as the Value Added Tax Act 1983.

(2) This Act shall come into force at the expiry of the period of three months beginning with the day on which it is passed.

(3) This Act shall extend to Northern Ireland.

(4) Paragraph 3 of Schedule 9 and paragraph 18 of Schedule 10 to this Act shall extend to the Isle of Man but no other provision of this Act shall extend there.

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Changes to legislation: There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)

SCHEDULES

SCHEDULE 1

Section 2(5).

REGISTRATION

Liability to be registered

[F92 1 [F93 (1) Subject to sub-paragraphs (3) to (5) below, a person who makes taxable supplies but is not registered becomes liable to be registered-

(a) at the end of any month, if the value of his taxable supplies in the period of one year then ending has exceeded £25,400; or

(b) at any time, if there are reasonable grounds for believing that the value of his taxable supplies in the period of thirty days then beginning will exceed £25,400.

(2) Where a business carried on by a taxable person is transferred to another person as a going concern and the transferee is not registered at the time of the transfer, then, subject to sub-paragraphs (3) to (5) below, the tranferee becomes liable to be registered at that time if-

(a) the value of his taxable supplies in the period of one year ending at the time of the transfer has exceeded £25,400; or

(b) there are reasonable grounds for believing that the value of his taxable supplies in the period of thirty days beginning at the time of the transfer will exceed £25,400.

(3) A person does not become liable to be registered by virtue of sub-paragraph (1)(a) or (2)(a) above if the Commissioners are satisfied that the value of his taxable supplies in the period of one year beginning at the time at which, apart from this sub-paragraph, he would become liable to be registered will not exceed £24,400.]

(4) In determining the value of a person's supplies for the purposes of sub-paragraph (1)(a) [F94 or (2)(a)] above, supplies made at a time when he was previously registered shall be disregarded if-

(a) his registration was cancelled otherwise than under paragraph 10 below, and

(b) the Commissioners are satisfied that before his registration was cancelled he had given them all the information they needed in order to determine whether to cancel the registration.

(5) In determining the value of a person's supplies for the purposes of sub-paragraph (1) [F95 or (2)] above, supplies of goods [F96 or services] that are capital assets of the business in the course or furtherance of which they are supplied shall be disregarded.

[F97 (6) Where, apart from this sub-paragraph, an interest in, right over or licence to occupy any land would under sub-paragraph (5) above be disregarded for the purposes of

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sub-paragraph (1) **[**[F98]or (2)**]**above, it shall not be if it is supplied on a taxable supply which is not zero-rated.**]]**

Textual Amendments

F92 Sch. 1 para. 1 substituted by Finance Act 1987 (c. 16, SIF 40:2), **s. 14(2)**
F93 Para. 1(1)–(3) substituted by Finance Act 1990 (c. 29, SIF 40:2), **s. 10(2)(9)**
F94 Words inserted by Finance Act 1990 (c. 29, SIF 40:2), **s. 10(3)(9)**
F95 Words inserted by Finance Act 1990 (c. 29, SIF 40:2), **s. 10(4)(9)**
F96 Words inserted by Finance Act 1988 (c. 39, SIF 40:2), **s. 14(2)**
F97 Para. 1(6) added by Finance Act 1989 (c. 26, SIF 40:2), s. 18, **Sch. 3 para. 10(a)**
F98 Words inserted by Finance Act 1990 (c. 29, SIF 40:2), **s. 10(5)(9)**

[[F99]1A (1) Without prejudice to paragraph 1 above, if the Commissioners make a direction under this paragraph, the persons named in the direction shall be treated as a single taxable person carrying on the activities of a business described in the direction and that taxable person shall be liable to be registered with effect from the date of the direction or, if the direction so provides, from such later date as may be specified therein.

(2) The Commissioners shall not make a direction under this paragraph naming any person unless they are satisfied-

(a) that he is making or has made taxable supplies; and

(b) that the activities in the course of which he makes or made those taxable supplies form only part of certain activities which should properly be regarded as those of the business described in the direction, the other activities being carried on concurrently or previously (or both) by one or more other persons; and

(c) that, if all the taxable supplies of that business were taken into account, a person carrying on that business would at the time of the direction be liable to be registered by virtue of paragraph 1 above; and

(d) that the main reason or one of the main reasons for the person concerned carrying on the activities first referred to in paragraph (*b*) above in the way he does is the avoidance of a liability to be registered (whether that liability would be his, another person's or that of two or more persons jointly).

(3) A direction made under this paragraph shall be served on each of the persons named in it.

(4) Where, after a direction has been given under this paragraph specifying a description of business, it appears to the Commissioners that a person who was not named in that direction is making taxable supplies in the course of activities which should properly be regarded as part of the activities of that business, the Commissioners may make and serve on him a supplementary direction referring to the earlier direction and the description of business specified in it and adding that person's name to those of the persons named in the earlier direction with effect from-

(a) the date on which he began to make those taxable supplies, or

(b) if it was later, the date with effect from which the single taxable person referred to in the earlier direction became liable to be registered.

(5) If, immediately before a direction (including a supplementary direction) is made under this paragraph, any person named in the direction is registered in respect of the

taxable supplies made by him as mentioned in sub-paragraph (2) or sub-paragraph (4) above, he shall cease to be liable to be so registered with effect from whichever is the later of-

(a) the date with effect from which the single taxable person concerned became liable to be registered; and

(b) the date of the direction.

(6) In relation to a business specified in a direction under this paragraph, the persons named in the direction, together with any person named in a supplementary direction relating to that business (being the persons who together are to be treated as the taxable person), are in sub-paragraphs (7) and (8) below referred to as "the constituent members".

(7) Where a direction is made under this paragraph then, for the purposes of this Act,-

(a) the taxable person carrying on the business specified in the direction shall be registrable in such name as the persons named in the direction may jointly nominate by notice in writing given to the Commissioners not later than fourteen days after the date of the direction or, in default of such a nomination, in such name as may be specified in the direction;

(b) any supply of goods or services by or to one of the constituent members in the course of the activities of the taxable person shall be treated as a supply by or to that person;

(c) each of the constituent members shall be jointly and severally liable for any tax due from the taxable person;

(d) without prejudice to paragraph (*c*) above, any failure by the taxable person to comply with any requirement imposed by or under this Act shall be treated as a failure by each of the constituent members severally; and

(e) subject to paragraphs (*a*) to (*d*) above, the constituent members shall be treated as a partnership carrying on the business of the taxable person and any question as to the scope of the activities of that business at any time shall be determined accordingly.

(8) If it appears to the Commissioners that any person who is one of the constituent members should no longer be regarded as such for the purposes of paragraphs (*c*) and (*d*) of sub-paragraph (7) above and they give notice to that effect, he shall not have any liability by virtue of those paragraphs for anything done after the date specified in that notice and, accordingly, on that date he shall be treated as having ceased to be a member of the partnership referred to in paragraph (*e*) of that sub-paragraph.**]**

Textual Amendments

F99 Sch. 1 para. 1A inserted by Finance Act 1986 (c. 41, SIF 40:2), **s. 10(1)**

VALID FROM 01/01/1993

[[F100]1B A person who has become liable to be registered under this Schedule shall cease to be so liable at any time if the Commissioners are satisfied in relation to that time that he—

(a) has ceased to make taxable supplies; or

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(b) is not at that time a person in relation to whom any of the conditions specified in paragraphs 1(1)(a) and (b) and (2)(a) and (b) above is satisfied.**]**

Textual Amendments

F100 Sch. 1 para. 1B inserted (1.1.1993) by Finance (No. 2) Act 1992 (c. 48), s. 14(2), **Sch. 3 Pt. I para.50**; S.I. 1992/3261, **art. 3**,Sch. (with art. 4)

[[F101]2 (1) Subject to sub-paragraph (2) below, a registered person who makes taxable supplies shall cease to be liable to be registered at any time if the Commissioners are satisfied that the value of his taxable supplies in the period of one year then beginning will not exceed £ **[**[F102]24,400**]**.

(2) A person shall not cease to be liable to be registered by virtue of sub-paragraph (1) above if the Commissioners are satisfied that the reason the value of his taxable supplies will not exceed £ **[**[F102]24,400**]**is that in the period in question he will cease making taxable supplies, or will suspend making them for a period of thirty days or more.

(3) In determining the value of a person's supplies for the purposes of sub-paragraph (1) above, supplies of goods **[**[F103]or services**]**that are capital assets of the business in the course or furtherance of which they are supplied shall be disregarded.

[[F104](4) Where, apart from this sub-paragraph, an interest in, right over or licence to occupy any land would under sub-paragraph (3) above be disregarded for the purposes of sub-paragraph (1) above, it shall not be if it is supplied on a taxable supply which is not zero-rated.**]]**

Textual Amendments

F101 Sch. 1 para. 2 substituted by Finance Act 1987 (c. 16, SIF 40:2), **s. 14(3)**

F102 Words substituted by virtue of S.I. 1990/682, **art. 2**

F103 Words inserted by Finance Act 1988 (c. 39, SIF 40:2), **s. 14(2)**

F104 Para. 2(4) added by Finance Act 1989 (c. 26, SIF 40:2), s. 18, **Sch. 3 para. 10(b)**

Notification of liability and registration

[[F105]3 (1) A person who becomes liable to be registered by virtue of paragraph 1(1)(a) above shall notify the Commissioners of the liability within thirty days of the end of the relevant month.

(2) The Commissioners shall register any such person (whether or not he so notifies them) with effect from the end of the month following the relevant month or from such earlier date as may be agreed between them and him.

(3) In this paragraph "the relevant month", in relation to a person who becomes liable to be registered, means the month at the end of which he becomes liable to be registered.**]**

Textual Amendments

F105 Sch. 1 paras. 3, 4, 4A, 4B substituted for paragraphs 3 and 4 by Finance Act 1990 (c. 29, SIF 40:2), **s. 10(6)(10)**

4 (1) A person who becomes liable to be registered by virtue of paragraph 1(1)(b) above shall notify the Commissioners of the liability before the end of the period by reference to which the liability arises.

(2) The Commissioners shall register any such person (whether or not he so notifies them) with effect from the beginning of the period by reference to which the liability arises.

4A (1) A person who becomes liable to be registered by virtue of paragraph 1(2) above shall notify the Commissioners of the liability within thirty days of the time when the business is transferred.

(2) The Commissioners shall register any such person (whether or not he so notifies them) with effect from the time when the business is transferred.

4B Where a person becomes liable to be registered by virtue of paragraph 1(1)(a) above and by virtue of paragraph 1(1)(b) or 1(2) above at the same time, the Commissioners shall register him in accordance with paragraph 4(2) or 4A(2) above, as the case may be, rather than paragraph 3(2) above.

[F106 Entitlement to be registered]

Textual Amendments

F106 Sch. 1 paras. 5, 5A substituted for paragraph 5 by Finance Act 1988 (c. 39, SIF 40:2), **s. 14(4)**

5 Where a person who is not liable to be registered satisfies the Commissioners that he-

(a) makes taxable supplies; or

(b) is carrying on a business and intends to make such supplies in the course or furtherance of that business,

they shall, if he so requests, register him with effect from the day on which the request is made or from such earlier date as may be agreed between them and him.

5A (1) Where a person who is not liable to be registered satisfies the Commissioners that he-

(a) makes supplies within sub-paragraph (2) below; or

(b) is carrying on a business and intends to make such supplies in the course or furtherance of that business,

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and (in either case) is within sub-paragraph (3) below, they shall, if he so requests, register him with effect from the day on which the request is made or from such earlier date as may be agreed between them and him.

(2) A supply is within this sub-paragraph if-

(a) it is made outside the United Kingdom but would be a taxable supply if made in the United Kingdom; or

(b) section 35 of this Act provides that it is to be disregarded for the purposes of this Act, and it would otherwise be a taxable supply.

(3) A person is within this sub-paragraph if-

(a) he has a business establishment in the United Kingdom or his usual place of residence is in the United Kingdom; and

(b) he does not make and does not intend to make taxable supplies.

(4) For the purposes of this paragraph-

(a) a person carrying on a business through a branch or agency in the United Kingdom shall be treated as having a business establishment in the United Kingdom; and

(b) "usual place of residence", in relation to a body corporate, means the place where it is legally constituted.

F107 . . . . . .

6

Textual Amendments

F107 Sch. 1 para. 6 repealed by Finance Act 1987 (c. 16, SIF 40:2), ss. 14(6), 72(7), **Sch. 16 Pt. IV**

[F108 Notification of end of liability or entitlement etc.]

Textual Amendments

F108 Sch. 1 paras. 7, 7A substituted for paragraph 7 and the heading preceding that paragraph by Finance Act 1988 (c. 39, SIF 40:2), **s. 14(5)**

7 A person registered under paragraph 3, 4 or 5 above who ceases to make or have the intention of making taxable supplies shall notify the Commissioners of that fact within thirty days of the day on which he does so.

Modifications etc. (not altering text)

C35 Sch. 1 para. 7 amended by S.I. 1985/886, **reg. 4(4)(6)** (as substituted by S.I. 1987/1916, **reg. 4(c)(d)**)

7A A person registered under paragraph 5A above who-

(a) ceases to make or have the intention of making supplies within sub-paragraph (2) of that paragraph; or

(b) makes or forms the intention of making taxable supplies, shall notify the Commissioners of that fact within thirty days of the day on which he does so.

F109 . . . . . .

8

Textual Amendments

F109 Sch. 1 para. 8 repealed by Finance Act 1987 (c. 16, SIF 40:2), s. 72(7), **Sch. 16 Pt. IV**

[F110 Cancellation of registration]

Textual Amendments

F110 Sch. 1 paras. 8A, 9, 10 substituted for paragraphs 9 and 10 by Finance Act 1988 (c. 39, SIF 40:2), **s. 14(6)**

8A (1) Where a registered person satisfies the Commissioners that he is not liable to be registered, they shall, if he so requests, cancel his registration with effect from the day on which the request is made or from such later date as may be agreed between them and him.

(2) In this paragraph and paragraphs 9 and 10 below, any reference to a registered person includes a reference to a person registered before their coming into force.

9 (1) Where the Commissioners are satisfied that a registered person has ceased to be registrable, they may cancel his registration with effect from the day on which he so ceased or from such later date as may be agreed between them and him.

(2) In this paragraph and paragraph 10 below, "registrable"means liable or entitled to be registered.

Modifications etc. (not altering text)

C36 Sch. 1 para. 9 amended by S.I. 1985/886, **reg. 4(6)** (as substituted by S.I. 1987/1916, **reg. 4(d)**)

10 Where the Commissioners are satisfied that on the day on which a registered person was registered he was not registrable, they may cancel his registration with effect from that day.

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[F111 Exemption from registration]

Textual Amendments

F111 Sch. 1 paras. 11-12 substituted for paragraphs 11, 11A and 12 (para. 11A having been inserted by Finance Act 1987 (c. 16, SIF 40:2), **s. 13(4)**) and the heading preceding paragraph 11 by Finance Act 1988 (c. 39, SIF 40:2), **s. 14(7)**

11 (1) Notwithstanding the preceding provisions of this Schedule, where a person who makes or intends to make taxable supplies satisfies the Commissioners that any such supply is zero-rated or would be zero-rated if he were a taxable person, they may, if he so requests and they think fit, exempt him from registration until it appears to them that the request should no longer be acted upon or is withdrawn.

(2) Where there is a material change in the nature of the supplies made by a person exempted from registration under this paragraph, he shall notify the Commissioners of the change-

(a) within thirty days of the date on which it occurred; or

(b) if no particular day is identifiable as the day on which it occurred, within thirty days of the end of the quarter in which it occurred.

(3) Where there is a material alteration in any quarter in the proportion of taxable supplies of such a person that are zero-rated, he shall notify the Commissioners of the alteration within thirty days of the end of the quarter.

Power to vary specified sums by order

12 The Treasury may by order substitute for any of the sums for the time being specified in this Schedule such greater sums as they think fit.

Supplementary

[F112 13 The value of a supply of goods or services shall be determined for the purposes of this Schedule on the basis that no tax is chargeable on the supply.**]**

Textual Amendments

F112 Sch. 1 para. 13 substituted by Finance Act 1987 (c. 16, SIF 40:2), **s. 14(10)**

14 Any notification required under this Schedule shall be made in such form and shall contain such particulars as the Commissioners may by regulations prescribe.

15 References in this Schedule to registration are references to registration in a register kept by the Commissioners for the purposes of this Act and references in this

Schedule to supplies are references to supplies made in the course or furtherance of a business.

VALID FROM 01/12/1992

[F113SCHEDULE 1A

REGISTRATION IN RESPECT OF SUPPLIES FROM OTHER MEMBER STATES]

Textual Amendments

F113 Sch. 1A inserted (1.12.1992) by Finance (No. 2) Act 1992 (c. 48), s. 14(2), **Sch. 3 Pt. I para.59**; S.I. 1992/2979, art. 4, **Sch. Pt.II** (with art. 5); S.I. 1992/3261, **art. 3**,Sch. (with art. 4)

. . . . . .

VALID FROM 01/12/1992

F132SCHEDULE 1B

REGISTRATION IN RESPECT OF ACQUISITIONS FROM OTHER MEMBER STATES

Textual Amendments

F132 Sch. 1B inserted (1.12.1992) by Finance (No. 2) Act 1992 (c. 48), s. 14(2), **Sch. 3 Pt. I para.59**; S.I. 1992/2979, art. 4, **Sch. Pt.II** (with art. 5); S.I. 1992/3261, **art. 3**,Sch. (with art. 4)

. . . . . .

SCHEDULE 2

Section 3.

MATTERS TO BE TREATED AS SUPPLY OF GOODS OR SERVICES

1 (1) Any transfer of the whole property in goods is a supply of goods; but, subject to sub-paragraph (2) below, the transfer—

(a) of any undivided share of the property, or

(b) of the possession of goods,

is a supply of services.

(2) If the possession of goods is transferred—

(a) under an agreement for the sale of the goods, or

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(b) under agreements which expressly contemplate that the property also will pass at some time in the future (determined by, or ascertainable from, the agreements but in any case not later than when the goods are fully paid for),

it is then in either case a supply of the goods.

2 Where a person produces goods by applying to another person's goods a treatment or process, he shall be treated as supplying those goods.

3 The supply of any form of power, heat, refrigeration or ventilation is a supply of goods.

4 The **[**[F153]grant**]**, assignment or surrender of a major interest in land is a supply of goods.

Textual Amendments

F153 Words substituted by Finance Act 1989 (c. 26, SIF 40:2), s. 18, **Sch. 3 para. 11(a)**

5 (1) Subject to sub-paragraph (2) below, where goods forming part of the assets of a business are transferred or disposed of by or under the directions of the person carrying on the business so as no longer to form part of those assets, whether or not for a consideration, that is a supply by him of **[**[F154]goods**]**.

(2) Sub-paragraph (1) above does not apply where the transfer or disposal is—

(a) a gift of goods made in the course or furtherance of the business (otherwise than as one forming part of a series or succession of gifts made to the same person from time to time) where the cost to the donor is not more than £10;

(b) a gift, to an actual or potential customer of the business, of an industrial sample in a form not ordinarily available for sale to the public.

(3) Where by or under the directions of a person carrying on a business goods held or used for the purposes of the business are put to any private use or are used, or made available to any person for use, for any purpose other than a purpose of the business, whether or not for a consideration, that is a supply of services.

(4) Anything which is a supply of goods or services by virtue of sub-paragraph (1) or (3) above is to be treated as made in the course or furtherance of the business (if it would not otherwise be so treated); and in the case of a business carried on by an individual—

(a) sub-paragraph (1) above applies to any transfer or disposition of goods in favour of himself personally; and

(b) sub-paragraph (3) above applies to goods used, or made available for use, by himself personally.

Textual Amendments

F154 Word substituted by Finance Act 1989 (c. 26, SIF 40:2), s. 18, **Sch. 3 para. 11(b)**

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Changes to legislation: *There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)*

VALID FROM 01/01/1993

[F155 5A (1) Where, in a case not falling within paragraph 5(1) above, goods forming part of the assets of any business—

(a) are removed from any member State by or under the directions of the person carrying on the business; and

(b) are so removed in the course or furtherance of that business for the purpose of being taken to a place in a member State other than that from which they are removed,

then, whether or not the removal is or is connected with a transaction for a consideration, that is a supply of goods by that person.

(2) Sub-paragraph (1) above does not apply—

(a) to the removal of goods from any member State in the course of their removal from one part of that member State to another part of the same member State; or

(b) to goods which have been removed from a place outside the member States for entry into the territory of the Community and are removed from a member State before the time when any Community customs debt in respect of any Community customs duty on their entry into that territory would be incurred.]

Textual Amendments

F155 Sch. 2 para. 5A inserted (1.1.1993) by Finance (No. 2) Act 1992 (c. 48), s. 14(2), **Sch. 3 Pt. I para. 60(1)**; S.I. 1992/3261, **art. 3**,Sch. (with art. 4)

Modifications etc. (not altering text)

C37 Sch. 2 para. 5A restricted (1.1.1993) by S.I. 1992/3111, **arts.4**, 5.

6 Where in the case of a business carried on by a taxable person, goods forming part of the assets of the business are, under any power exercisable by another person, sold by the other in or towards satisfaction of a debt owed by the taxable person, they shall be deemed to be supplied by the taxable person in the course or furtherance of his business.

7 (1) Where a person ceases to be a taxable person, any goods then forming part of the assets of a business carried on by him shall be deemed to be supplied by him in the course or furtherance of his business immediately before he ceases to be a taxable person, unless—

(a) the business is transferred as a going concern to another taxable person; or

(b) the business is carried on by another person who, under regulations made under section 31(4) above, is treated as a taxable person; or

(c) the tax on the deemed supply would not be more than £250.

Status: *Point in time view as at 01/02/1991. This version of this Act contains provisions that are not valid for this point in time.*
Changes to legislation: *There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)*

(2) This paragraph does not apply to any goods in the case of which the taxable person can show to the satisfaction of the Commissioners—

(a) that no credit for input tax in respect of the supply or importation of the goods has been allowed to him;

(b) that the goods were not acquired by him as part of the assets of a business which was transferred to him as a going concern by another taxable person; and

(c) that he has not obtained relief in respect of the goods under section 4 of the [M34]Finance Act 1973.

(3) The Treasury may by order increase or further increase the sum specified in sub-paragraph (1)(c) above.

Marginal Citations

M34 1973 c. 51.

[[F156]8 (1) Subject to sub-paragraphs (2) and (3) below, paragraphs 5 to 7 above have effect in relation to land forming part of the assets of, or held or used for the purposes of, a business as if it were goods forming part of the assets of, or held or used for the purposes of, a business.

(2) In the application of those paragraphs by virtue of sub-paragraph (1) above, references to transfer, disposition or sale shall have effect as references to the grant or assignment of any interest in, right over or licence to occupy the land concerned.

(3) Except in relation to-

(a) the grant or assignment of a major interest; or

(b) a grant or assignment otherwise than for a consideration,

in the application of paragraph 5(1) above by virtue of sub-paragraph (1) above the reference to a supply of goods shall have effect as a reference to a supply of services.]

Textual Amendments

F156 Sch. 2 para. 8 added by Finance Act 1989 (c. 26, SIF 40:2), s. 18, **Sch. 3 para. 11(c)**

SCHEDULE 3

Section 7

SERVICES SUPPLIED WHERE RECEIVED

1 Transfers and assignments of copyright, patents, licences, trademarks and similar rights.

Status: *Point in time view as at 01/02/1991. This version of this Act contains provisions that are not valid for this point in time.*
Changes to legislation: *There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)*

Modifications etc. (not altering text)
C38 Sch. 3 para. 1 amended (*prosp.*) by 1994 c. 26, ss. 106(1), 109(1), **Sch. 4 para. 1(2)**

2 Advertising services.

3 Services of consultants, engineers, consultancy bureaux, lawyers, accountants and other similar services; data processing and provision of information (but excluding from this head any services relating to land).

4 Acceptance of any obligation to refrain from pursuing or exercising, in whole or part, any business activity or any such rights as are referred to in paragraph 1 above.

5 Banking, financial and insurance services (including reinsurance, but not including the provision of safe deposit facilities).

6 The supply of staff.

[[F157]6A The letting on hire of goods other than means of transport.**]**

Textual Amendments
F157 Sch. 3 para. 6A added by S.I. 1985/799, **art. 3**(*a*)

7 The services rendered by one person to another in procuring for the other any of the services mentioned in paragraphs 1 to **[**[F158]6A**]**above.

Textual Amendments
F158 Word substituted by S.I. 1985/799, **art. 3**(*b*)

VALID FROM 01/01/1993

[[F159]8 Services—
(a) of the transportation of goods which begins in one member State and ends in a different member State;
(b) of loading, unloading, handling and similar activities carried out in connection with services of the description specified in sub-paragraph (a) above;

Status: *Point in time view as at 01/02/1991. This version of this Act contains provisions that are not valid for this point in time.*
Changes to legislation: *There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)*

(c) consisting of the making of arrangements for, or of any other activity intended to facilitate, the making by or to another person of—

(i) a supply of a description specified in sub-paragraph (a) or (b) above; or

(ii) any supply not falling within (i) above, except a supply of any services of a description specified in paragraphs 1 to 7 of this Schedule [F160],

which are treated as supplied in the United Kingdom by virtue of the recipient's having made use of his registration number for the purpose of the supply; and section 7(1) of this Act [F161] shall have effect in relation to the services described in sub-paragraphs (a) to (c) above as if the recipient belongs in the United Kingdom if, and only if, he is a taxable person.**]**

Textual Amendments

F159 Sch. 3 para. 8 added (1.1.1993) by S.I. 1992/3128, **art.2** (which said S.I. was revoked (1.11.1993) by S.I. 1993/2328, **art. 5**.

F160 Schedule 3 was amended by S.I. 1985/799.

F161 Section 7(1) was amended by paragraph 1 of Schedule 2 to the Finance Act 1987 (c.16).

SCHEDULE 4

Sections 10(6) and 11(4).

VALUATION—SPECIAL CASES

1 (1) Where—

(a) the value of a supply made by a taxable person for a consideration in money is (apart from this paragraph) less than its open market value, and

(b) the person making the supply and the person to whom it is made are connected, and

(c) **[**[F162]if the supply is a taxable supply,**]**the person to whom the supply is made is not entitled under sections 14 and 15 of this Act to credit for all the tax on the supply,

the Commissioners may direct that the value of the supply shall be taken to be its open market value.

(2) A direction under this paragraph shall be given by notice in writing to the person making the supply, but no direction may be given more than three years after the time of the supply.

(3) A direction given to a person under this paragraph in respect of a supply made by him may include a direction that the value of any supply—

(a) which is made by him after the giving of the notice, or after such later date as may be specified in the notice, and

(b) as to which the conditions in paragraphs (a) to (c) of sub-paragraph (1) above are satisfied,

shall be taken to be its open market value.

(4) For the purposes of this paragraph any question whether a person is connected with another shall be determined in accordance with section 533 of the [M35]Income and Corporation Taxes Act 1970.

(5) This paragraph does not apply to a supply to which paragraph 10 below applies.

Textual Amendments

F162 Words inserted by Finance Act 1987 (c. 16, SIF 40:2), **s. 17(1)(2)**

Marginal Citations

M35 1970 c. 10.

2 (1) Where—

(a) goods are imported at a price in money which (together with all such taxes, duties, charges and costs as are specified in subsection (2)(a) and (b) of section 11 of this Act and not included in the price) is less than their value as determined in accordance with subsection (3) of that section, and

(b) the person importing the goods and the person entitled to the price are connected, and

(c) the person importing the goods is not entitled under sections 14 and 15 of this Act to credit for all the tax paid or payable by him on the importation,

the Commissioners may direct that the value of the goods shall be taken to be their value as determined in accordance with the said subsection (3).

(2) A direction under this paragraph shall be given by notice in writing to the person importing the goods, but no direction may be given more than three years after the time of importation.

(3) A direction given to a person under this paragraph in respect of goods imported by him may include a direction that the value of any goods—

(a) which are imported by him after the giving of the notice, or after such later date as may be specified in the notice, and

(b) as to which the conditions in paragraphs (a) to (c) of sub-paragraph (1) above are satisfied,

shall be taken to be their value as determined in accordance with section 11(3) of this Act.

(4) For the purposes of this paragraph any question whether a person is connected with another shall be determined in accordance with section 533 of the [M36]Income and Corporation Taxes Act 1970.

Marginal Citations

M36 1970 c. 10.

3 Where—

Status: *Point in time view as at 01/02/1991. This version of this Act contains provisions that are not valid for this point in time.*
Changes to legislation: *There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)*

(a) the whole or part of a business carried on by a taxable person consists in supplying to a number of persons goods to be sold, whether by them or others, by retail, and

(b) those persons are not taxable persons,

the Commissioners may by notice in writing to the taxable person direct that the value of any such supply by him after the giving of the notice or after such later date as may be specified in the notice shall be taken to be its open market value on a sale by retail.

VALID FROM 01/01/1993

[[F163]3A(1) Where—

(a) any goods whose supply involves their removal to the United Kingdom—

(i) are charged in connection with their removal to the United Kingdom with a duty of excise or with car tax; or

(ii) on that removal are subject, in accordance with any provision for the time being having effect for transitional purposes in connection with the accession of any State to the European Communities, to any Community customs duty or agricultural levy of the Economic Community;

or

(b) the time of supply of any dutiable goods, or of any goods which comprise a mixture of dutiable goods and other goods, is determined under section 35(4) of this Act to be the duty point,

then the value of the supply shall be taken for the purposes of this Act to be the sum of its value apart from this paragraph and the amount, so far as not already included in that value, of the duty, tax or, as the case may be, agricultural levy which has been or is to be paid in respect of the goods.

(2) In this paragraph "dutiable goods" and "duty point" have the same meanings as in section 35 of this Act.**]**

Textual Amendments

F163 Sch. 4 para. 3A inserted (1.1.1993) by Finance (No. 2) Act 1992 (c. 48), s. 14(2), **Sch. 3 Pt. I para. 61(2)**; S.I. 1992/3261, **art. 3**,Sch. (with art. 4)

4 (1) Where goods or services are supplied for a consideration in money and on terms allowing a discount for prompt payment, the consideration shall be taken for the purposes of section 10 of this Act as reduced by the discount, whether or not payment is made in accordance with those terms.

(2) This paragraph does not apply where the terms include any provision for payment by instalments.

5 (1) Where goods are imported at a price in money and on terms allowing a discount for prompt payment, the price shall be taken for the purposes of section 11(2) of this

Act as reduced by the discount, whether or not payment is made in accordance with those terms.

(2) This paragraph does not apply where the terms include any provision for payment by instalments.

6 Where a right to receive goods or services for an amount stated on any token, stamp or voucher is granted for a consideration, the consideration shall be disregarded for the purposes of this Act except to the extent (if any) that it exceeds that amount.

7 Where there is a supply of goods by virtue of—

(a) a Treasury order under section 3(5) of this Act; or

(b) paragraph 5(1) of Schedule 2 to this Act (but otherwise than for a consideration); or

(c) paragraph 7 of that Schedule,

the value of the supply shall be taken to be the cost of the goods to the person making the supply except where paragraph 10 below applies.

8 Where there is a supply of services by virtue of—

(a) a Treasury order under section 3(4) of this Act; or

(b) paragraph 5(3) of Schedule 2 to this Act (but otherwise than for a consideration),

the value of the supply shall be taken to be the full cost to the taxable person of providing the services except where paragraph 10 below applies.

VALID FROM 01/01/1993

[[F164]8A Where any supply of services is treated by virtue of section 7 of this Act as made by the person by whom they are received, the value of the supply shall be taken—

(a) in a case where the consideration for which the services were in fact supplied to him was a consideration in money, to be such amount as is equal to that consideration; and

(b) in a case where that consideration did not consist or not wholly consist of money, to be such amount in money as is equivalent to that consideration.**]**

Textual Amendments

F164 Sch. 4 para. 8A inserted (1.1.1993) by Finance (No. 2) Act 1992 (c. 48), s. 14(2), **Sch. 3 Pt. I para. 61(4)**; S.I. 1992/3261, **art. 3**,Sch. (with art. 4)

9 **[**[F165](1) This paragraph applies where a supply of services consists in the provision of accommodation falling within paragraph **[**[F166](c)**]**of item 1 of Group 1 in Schedule 6 to this Act and-

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Changes to legislation: *There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)*

(a) that provision is made to an individual for a period exceeding four weeks; and

(b) throughout that period the accommodation is provided for the use of the individual either alone or together with one or more other persons who occupy the accommodation with him otherwise than at their own expense (whether incurred directly or indirectly).

(2) Where this paragraph applies**]**

(a) the value of so much of the supply as is in excess of four weeks shall be taken to be reduced to such part thereof as is attributable to facilities other than the right to occupy the accommodation; and

(b) that part shall be taken to be not less than 20 per cent.

Textual Amendments

F165 Words substituted by Finance Act 1986 (c. 41, SIF 40:2), **s. 11(1)(2)**

F166 "(c)" substituted by Finance Act 1989 (c. 26, SIF 40:2), s. 18, Sch. 3 paras. 4(2), **12**

10 (1) This paragraph applies to a supply of goods or services, whether or not for a consideration, which is made by an employer and consists of—

(a) the provision in the course of catering of food or beverages to his employees, or

(b) the provision of accommodation for his employees in a hotel, inn, boarding house or similar establishment.

(2) The value of a supply to which this paragraph applies shall be taken to be nil unless the supply is for a consideration consisting wholly or partly of money, and in that case its value shall be determined without regard to any consideration other than money.

11 (1) Where any sum relevant for determining value is expressed in a currency other than sterling, it is to be converted into sterling in accordance with Community rules applicable to valuation for customs purposes.

(2) In relation to a supply of goods or services, the material time for valuation, by reference to which the appropriate exchange rate is determined under the rules, is the time of supply.

12 Regulations may require that in prescribed circumstances there is to be taken into account, as constituting part of the consideration for the purposes of section 10(2) of this Act (where it would not otherwise be so taken into account), money paid in respect of the supply by persons other than those to whom the supply is made.

13 A direction under paragraph 1, 2 or 3 above may be varied or withdrawn by the Commissioners by a further direction given by notice in writing.

Status: *Point in time view as at 01/02/1991. This version of this Act contains provisions that are not valid for this point in time.*
Changes to legislation: *There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)*

VALID FROM 01/12/1992

[F167SCHEDULE 4A

VALUATION OF ACQUISITIONS FROM OTHER MEMBER STATES - SPECIAL CASES]

Textual Amendments

F167 Sch. 4A inserted (1.12.1992 to extent mentioned in S.I. 1992/2979 art. 4 and 1.1.1993 insofar as not then already in force) by Finance (No. 2) Act 1992 (c. 48), s. 14(2), **Sch.3 Pt. I para. 62**; S.I. 1992/2979, art. 4, **Sch. Pt.II** (with art. 5); S.I. 1992/3261, **art. 3**,Sch. (with art. 4)

. . . . . .

SCHEDULE 5

Section 16.

ZERO-RATING

GROUP 1—FOOD

The supply of anything comprised in the general items set out below, except—

(a) a supply in the course of catering; and

(b) a supply of anything comprised in any of the excepted items set out below, unless it is also comprised in any of the items overriding the exceptions set out below which relates to that excepted item.

General items

Item No.

1. Food of kind used for human consumption.

2. Animal feeding stuffs.

3. Seeds or other means of propagation of plants comprised in item 1 or 2.

4. Live animals of a kind generally used as, or yielding or producing, food for human consumption.

Excepted items

Item No.

1. Ice cream, ice lollies, frozen yogurt, water ices and similar frozen products, and prepared mixes and powders for making such products.

[F173 2. Confectionery, not including cakes or biscuits other than biscuits wholly or partly covered with chocolate or with some product similar in taste and appearance.]

Status: *Point in time view as at 01/02/1991. This version of this Act contains provisions that are not valid for this point in time.*
Changes to legislation: *There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)*

3. Beverages chargeable with any duty of excise specifically charged on spirits, beer, wine or made-wine and preparations thereof.

4. Other manufactured beverages, including fruit juices and bottled waters, and syrups, concentrates, essences, powders, crystals or other products for the preparation of beverages.

5. Any of the following when packaged for human consumption without further preparation, namely, potato crisps, potato sticks, potato puffs, and similar products made from the potato, or from potato flour, or from potato starch, and savoury food products obtained by the swelling of cereals or cereal products; and salted or roasted nuts other than nuts in shell.

6. Pet foods, canned, packaged or prepared; packaged foods (not being pet foods) for birds other than poultry or game; and biscuits and meal for cats and dogs.

7. Goods described in items 1, 2 and 3 of the general items which are canned, bottled, packaged or prepared for use—
(a) in the domestic brewing of any beer;
(b) in the domestic making of any cider or perry;
(c) in the domestic production of any wine or made-wine.

Textual Amendments
F173 Words substituted by S.I. 1988/507, **art. 2(a)**

Items overriding the exceptions

Item No.

1. Yogurt unsuitable for immediate consumption when frozen.

2. Drained cherries.

3. Candied peels.

4. Tea, maté, herbal teas and similar products, and preparations and extracts thereof.

5. Cocoa, coffee and chicory and other roasted coffee substitutes, and preparations and extracts thereof.

6. Preparations and extracts of meat, yeast, egg or milk.

Notes:
(1) "Food" includes drink.
(2) "Animal" includes bird, fish, crustacean and mollusc.
(3) A supply of anything in the course of catering includes [F174]
  (a) any supply of it for consumption on the premises on which it is supplied **[**[F175]and
  (b) any supply of hot food for consumption off those premises; and for the purpose of paragraph (*b*) above "hot food"means food which, or any part of which,-
    (i) has been heated for the purpose of enabling it to be consumed at a temperature above the ambient air temperature; and
    (ii) is at the time of the supply above that temperature**]**.
(4) Item 1 of the items overriding the exceptions relates to item 1 of the excepted items.

(5) Items 2 and 3 of the items overriding the exceptions relate to item 2 of the excepted items **[**[F176], and, for the purposes of item 2 of the excepted items "confectionery" includes chocolates, sweets and biscuits; drained, glacé or crystallized fruits; and any item of sweetened prepared food which is normally eaten with the fingers.**]**

(6) Items 4 to 6 of the items overriding the exceptions relate to item 4 of the excepted items.

(7) Any supply described in this Group shall include a supply of services described in paragraph 1(1) of Schedule 2 to this Act.

Textual Amendments

F174 "(*a*" inserted (*retrospectively*) by Finance Act 1984 (c. 43, SIF 40:1), **s. 10(1)(2)**(*a*), Sch. 6 para. 1

F175 Words added (*retrospectively*) by Finance Act 1984 (c. 43, SIF 40:1), **s. 10(1)(2)**(*a*), Sch. 6 para. 1

F176 Words added by S.I. 1988/507, **art. 2(b)**

GROUP 2—SEWERAGE SERVICES AND WATER

Item No.

1 Services of—

(a) reception, disposal or treatment of foul water or sewage in bulk; and

[[F177](b) emptying of any cesspools, septic tanks or similar receptacles which are used otherwise than in connection with the carrying on in the course of a business of a relevant industrial activity.**]**

Textual Amendments

F177 Sch. 5 Group 2 Item 1 paragraph (b) substituted by Finance Act 1989 (c. 26, SIF 40:2), **s. 19(2)(5)**

2 **[**[F178]The supply, for use otherwise than in connection with the carrying on in the course of a business of a relevant industrial activity, of**]**water other than—

(a) distilled water, deionised water and water of similar purity, and

(b) water comprised in any of the excepted items set out in Group 1.

[[F179]*Note:* "Relevant industrial activity"means any activity described in any of Divisions 1 to 5 of the 1980 edition of the publication prepared by the Central Statistical Office and known as the Standard Industrial Classification.**]**

Textual Amendments

F178 Words inserted by Finance Act 1989 (c. 26, SIF 40:2), **s. 19(3)(5)**

F179 Note inserted by Finance Act 1989 (c. 26, SIF 40:2), **s. 19(4)(5)**

GROUP 3—BOOKS, ETC.

Item No.

Status: *Point in time view as at 01/02/1991. This version of this Act contains provisions that are not valid for this point in time.*
Changes to legislation: *There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)*

1. Books, booklets, brochures, pamphlets and leaflets.

2. Newspapers, journals and periodicals.

3. Children's picture books and painting books.

4. Music (printed, duplicated or manuscript).

5. Maps, charts and topographical plans.

6. Covers, cases and other articles supplied with items 1 to 5 and not separately accounted for.

Note: Items 1 to 6—

(a) do not include plans or drawings for industrial, architectural, engineering, commercial or similar purposes; but

(b) include the supply of the services described in paragraph 1(1) of Schedule 2 to this Act in respect of goods comprised in the items.

GROUP 4—TALKING BOOKS FOR THE BLIND AND HANDICAPPED AND WIRELESS SETS FOR THE BLIND

ITEM NO.

1 The supply to the Royal National Institute for the Blind, the National Listening Library or other similar charities of—

(a) magnetic tape specially adapted for the recording and reproduction of speech for the blind or severely handicapped;

(b) apparatus designed or specially adapted for the making on a magnetic tape, by way of the transfer of recorded speech from another magnetic tape, of a recording described in paragraph (f) below;

(c) apparatus designed or specially adapted for transfer to magnetic tapes of a recording made by apparatus described in paragraph (b) above;

(d) apparatus for re-winding magnetic tape described in paragraph (f) below;

(e) apparatus designed or specially adapted for the reproduction from recorded magnetic tape of speech for the blind or severely handicapped which is not available for use otherwise than by the blind or severely handicapped;

(f) magnetic tape upon which has been recorded speech for the blind or severely handicapped, such recording being suitable for reproduction only in the apparatus mentioned in paragraph (e) above;

[[F180](g) apparatus solely for the making on a magnetic tape of a sound recording which is for use by the blind or severely handicapped;**]**

[[F181](h) parts and accessories (other than a magnetic tape for use with apparatus described in paragraph (*g*) above) for goods comprised in paragraphs (*a*) to (*g*) above.**]**

Textual Amendments

F180 Sch. 5 Group 4 Item 1(*g*) substituted by S.I. 1986/530, **art. 2**(*a*)

F181 Sch. 5 Group 4 Item 1(*h*) added by S.I. 1986/530, **art. 2**(*b*)

[F182 2 The supply to a charity of—

(a) wireless receiving sets; or

(b) apparatus solely for the making and reproduction of a sound recording on a magnetic tape permanently contained in a cassette,

being goods solely for gratuitous loan to the blind.]

Note: The supply mentioned in items 1 and 2 includes the letting on hire of goods comprised in the items.

Textual Amendments

F182 Sch. 5 Group 4 Item 2 substituted by S.I. 1986/530, **art. 2**(*c*)

GROUP 5

GROUP 6

[F183 GROUP 7—FUEL AND POWER FOR DOMESTIC OR CHARITY USE

ITEM NO.]

Textual Amendments

F183 Sch. 5 Group 7 substituted by Finance Act 1989 (c. 26, SIF 40:2), **s. 21(1)(2)**

1 Supplies for qualifying use of—

(a) coal, coke or other solid substances held out for sale solely as fuel;

(b) coal gas, water gas, producer gases or similar gases;

(c) petroleum gases, or other gaseous hydrocarbons, whether in a gaseous or liquid state;

(d) fuel oil, gas oil or kerosene; or

(e) electricity, heat or air-conditioning.

Notes:

(1) "Qualifying use"means—

(a) domestic use; or

(b) use by a charity otherwise than in the course or furtherance of a business.

(2) The following supplies are always for domestic use—

(a) a supply of not more than one tonne of coal or coke held out for sale as domestic fuel;

(b) a supply of wood, peat or charcoal not intended for sale by the recipient;

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(c) a supply to a person at any premises of piped gas (that is, gas within paragraph (b) of item 1, or petroleum gas in a gaseous state, provided through pipes) where the gas (together with any other piped gas provided to him at the premises by the same supplier) was not provided at a rate exceeding 150 therms a month;

(d) a supply of petroleum gas in a liquid state where the gas is supplied in cylinders the net weight of each of which is less than 50 kilogrammes and either the number of cylinders supplied is 20 or fewer or the gas is not intended for sale by the recipient;

(e) a supply of petroleum gas in a liquid state, otherwise than in cylinders, to a person at any premises at which he is not able to store more than two tonnes of such gas;

(f) a supply of not more than 2,300 litres of fuel oil, gas oil or kerosene;

(g) a supply of electricity to a person at any premises where the electricity (together with any other electricity provided to him at the premises by the same supplier) was not provided at a rate exceeding 1000 kilowatt hours a month.

(3) Supplies not within Note (2) are for domestic use if and only if the goods supplied are for use in-

(a) a building, or part of a building, which consists of a dwelling or number of dwellings;

(b) a building, or part of a building, used for a relevant residential purpose;

(c) self-catering holiday accommodation;

(d) a caravan; or

(e) a houseboat.

(4) Use for a relevant residential purpose means use as—

(a) a home or other institution providing residential accommodation for children;

(b) a home or other institution providing residential accommodation with personal care for persons in need of personal care by reason of old age, disablement, past or present dependence on alcohol or drugs or past or present mental disorder;

(c) a hospice;

(d) residential accommodation for students or school pupils;

(e) residential accommodation for members of any of the armed forces;

(f) a monastery, nunnery or similar establishment; or

(g) an institution which is the sole or main residence of at least 90 per cent. of its residents,

except use as a hospital, a prison or similar institution or an hotel or inn or similar establishment.

(5) Self-catering holiday accommodation includes any accommodation advertised or held out as such.

(6) "Houseboat"means a boat or other floating decked structure designed or adapted for use solely as a place of permanent habitation and not having means of, or capable of being readily adapted for, self-propulsion.

(7) Where there is a supply of goods partly for qualifying use and partly not-

(a) if at least 60 per cent. of the goods are supplied for qualifying use, the whole supply shall be treated as a supply for qualifying use; and

(b) in any other case, an apportionment shall be made to determine the extent to which the supply is a supply for qualifying use.

(8) Paragraph (a) of item 1 shall be deemed to include combustible materials put up for sale for kindling fires but shall not include matches upon which a duty of customs or excise has been or is to be charged.

(9) Paragraphs (b) and (c) of item 1 do not include any road fuel gas (within the meaning of the Hydrocarbon Oil Duties Act 1979) on which a duty of excise has been charged or is chargeable.

(10) Paragraph (d) of item 1 does not include hydrocarbon oil on which a duty of excise has been or is to be charged without relief from, or rebate of, such duty by virtue of the provisions of the Hydrocarbon Oil Duties Act 1979.

(11) "Fuel oil"means heavy oil which contains in solution an amount of asphaltenes of not less than 0.5 per cent. or which contains less than 0.5 per cent. but not less than 0.1 per cent. of asphaltenes and has a closed flash point not exceeding 150°C.

(12) "Gas oil"means heavy oil of which not more than 50 per cent. by volume distils at a temperature not exceeding 240°C and of which more than 50 per cent. by volume distils at a temperature not exceeding 340°C.

(13) "Kerosene"means heavy oil of which more than 50 per cent. by volume distils at a temperature not exceeding 240°C.

(14) "Heavy oil"shall have the same meaning as in the Hydrocarbon Oil Duties Act 1979.

[F184 GROUP 8—CONSTRUCTION OF DWELLINGS, ETC.

ITEM NO.]

Textual Amendments

F184 Sch. 5 Group 8 substituted by Finance Act 1989 (c. 26, SIF 40:2), s. 18, Sch. 3 paras. 1, 12, **13** (with Sch. 3 paras. 13(2)(4))

Modifications etc. (not altering text)

C39 Sch. 5 Group 8 modified by Finance Act 1989 (c. 26, SIF 40:2), s. 18, **Sch. 3 para. 12(3)(a)**

1 The grant by a person constructing a building—

(a) designed as a dwelling or number of dwellings; or

(b) intended for use solely for a relevant residential purpose or a relevant charitable purpose,

of a major interest in, or in any part of, the building or its site.

2 The supply in the course of the construction of—

Status: *Point in time view as at 01/02/1991. This version of this Act contains provisions that are not valid for this point in time.*
Changes to legislation: *There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)*

(a) a building designed as a dwelling or number of dwellings or intended for use solely for a relevant residential purpose or a relevant charitable purpose; or
(b) any civil engineering work necessary for the development of a permanent park for residential caravans,

of any services other than the services of an architect, surveyor or any person acting as consultant or in a supervisory capacity.

3 The supply to a person of—
(a) materials ; or
(b) builders' hardware, sanitary ware or other articles of a kind ordinarily installed by builders as fixtures,

by a supplier who also makes to the same person supplies within item 2 of this Group or Group 8A below of services which include the use of the materials or the installation of the articles.

Notes:

(1) "Grant" includes assignment.

(2) "Dwelling" includes a garage constructed at the same time as a dwelling for occupation together with it.

(3) Use for a relevant residential purpose means use as—
(a) a home or other institution providing residential accommodation for children;
(b) a home or other institution providing residential accommodation with personal care for persons in need of personal care by reason of old age, disablement, past or present dependence on alcohol or drugs or past or present mental disorder;
(c) a hospice;
(d) residential accommodation for students or school pupils;
(e) residential accommodation for members of any of the armed forces;
(f) a monastery, nunnery or similar establishment; or
(g) an institution which is the sole or main residence of at least 90 per cent. of its residents,

except use as a hospital, a prison or similar institution or an hotel, inn or similar establishment.

(4) Use for a relevant charitable purpose means use by a charity in either or both of the following ways, namely-
(a) otherwise than in the course or furtherance of a business;
(b) as a village hall or similarly in providing social or recreational facilities for a local community.

(5) Where part of a building is designed as a dwelling or number of dwellings or intended for use solely for a relevant residential purpose or a relevant charitable purpose (and part is not)-
(a) a grant or other supply relating only to the part so designed or intended for such use (or its site) shall be treated as relating to a building so designed or intended for such use;

(b) a grant or other supply relating only to the part neither so designed nor intended for such use (or its site) shall not be so treated; and

(c) in the case of any other grant or other supply relating to, or to any part of, the building (or its site), an apportionment shall be made to determine the extent to which it is to be so treated.

(6) Where all or part of a building is intended for use solely for a relevant residential purpose or a relevant charitable purpose-

(a) a supply relating to the building (or any part of it) shall not be taken for the purposes of item 2 or 3 as relating to a building intended for such use unless it is made to a person who intends to use the building (or part) for such a purpose; and

(b) a grant or other supply relating to the building (or any part of it) shall not be taken as relating to a building intended for such use unless before it is made the person to whom it is made has given to the person making it a certificate in such form as may be specified in a notice published by the Commissioners stating that the grant or other supply (or a specified part of it) so relates.

[[F185](7) The grant of an interest in, or in any part of–

(a) a building designed as a number of dwellings; or

(b) the site of such a building,

is not within item 1 if-

(i) the interest granted is such that the grantee is not entitled to reside in the building, or part, throughout the year; or

(ii) residence there throughout the year, or the use of the building or part as the grantee's principal private residence, is prevented by the terms of a covenant, statutory planning consent or similar permission.**]**

(8) Where the major interest referred to in item 1 is a tenancy or lease—

(a) if a premium is payable, the grant falls within that item only to the extent that it is made for consideration in the form of the premium; and

(b) if a premium is not payable, the grant falls within that item only to the extent that it is made for consideration in the form of the first payment of rent due under the tenancy or lease.

(9) The reference in item 2 to the construction of a building or work does not include a reference to—

(a) the conversion, reconstruction, alteration or enlargement of an existing building or work; or

(b) any extension or annexation to an existing building which provides for internal access to the existing building or of which the separate use, letting or disposal is prevented by the terms of any covenant, statutory planning consent or similar permission;

and the reference in item 1 to a person constructing a building shall be construed accordingly.

(10) A caravan is not a residential caravan if residence in it throughout the year is prevented by the terms of a covenant, statutory plannning consent or similar permission.

(11) Item 2 does not include the supply of services described in paragraph 1(1) or 5(3) of Schedule 2 to this Act.

Status: *Point in time view as at 01/02/1991. This version of this Act contains provisions that are not valid for this point in time.*
Changes to legislation: *There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)*

(12) The goods referred to in item 3 do not include-

(a) finished or prefabricated furniture, other than furniture designed to be fitted in kitchens;

(b) materials for the construction of fitted furniture, other than kitchen furniture;

(c) domestic electrical or gas appliances, other than those designed to provide space heating or water heating or both; or

(d) carpets or carpeting material.

(13) Section 16(3) of this Act does not apply to goods forming part of a description of supply in this Group.

Textual Amendments

F185 Note 7 substituted (1.2.1991) by S.I. 1990/2553, **art. 2**

[[F186]GROUP 8A—PROTECTED BUILDINGS.

Textual Amendments

F186 Sch. 5 Group 8A inserted (*retrospectively*) by Finance Act 1984 (c. 43, SIF 40:2) s. 10(2), Sch. 6 para. 8

Modifications etc. (not altering text)

C40 Sch. 5 Group 8A modified by Finance Act 1989 (c. 26, SIF 40:2), s. 18, **Sch. 3 para. 12(3)(b)**

Item No.**]**

1 The **[**[F187]grant**]** by a person substantially reconstructing a protected building, of a major interest in, or in any part of, the building or its site.

Textual Amendments

F187 Word substituted by Finance Act 1989 (c. 26, SIF 40:2), s. 18, Sch. 3 paras. 2(2), 12, **13** (with Sch. 3 para. 13(2)(4))

2 The supply, in the course of an approved alteration of a protected building, of any services other than the services of an architect, surveyor or any person acting as consultant or in a supervisory capacity.

Notes

(1) "Protected Building"means **[**[F188]a building which is designed to remain as or become a dwelling or number of dwellings or is intended for use solely for a relevant residential purpose or a relevant charitable purpose after the reconstruction or alteration and which, in either case,**]** is—

(a) a listed building, within the meaning of—

(i) **[**[F189]the Planning (Listed Buildings and Conservation Areas) Act 1990**]**; or

(ii) the [M37] Town and Country Planning (Scotland) Act 1972; or

(iii) the [M38] Planning (Northern Ireland) Order 1972; or

(b) a scheduled monument, within the meaning of —

(i) the [M39] Ancient monuments and Archaeological areas Act 1979; or

(ii) the [M40] Historic Monuments Act (Northern Ireland) 1971.

[[F190](1A) Notes (1) to (8) to Group 8 above apply in relation to this Group as they apply in relation to that Group.**]**

(2) For the purposes of item 1, a protected building shall not be regarded as substantially reconstructed unless the reconstruction is such that at least one of the following conditions is fulfilled when the reconstruction is completed-

(a) that, of the works carried out to effect the reconstruction, at least **[**[F190]three-fifths**]**, measured by reference to cost, are of such a nature that the supply of services (other than excluded services) materials and other items to carry out the works, would, if supplied by a taxable person, be within either item 2 of this Group or item 3 of Group 8 above, as it applies to a supply by a person supplying services within item 2 of this Group, and

(b) that the reconstructed building incorporates no more of the original building (that is to say, the building as it was before the reconstruction began) than the external walls, together with other external features of architectural or historic interest;

and in paragraph (*a*) above "excluded services" means the services of an architect, surveyor or other person acting as consultant or in a supervisory capacity.

(3) "Approved alteration"means,—

(a) in the case of a protected building which is an ecclesiastical building which is for the time being used for ecclesiastical purposes or would be so used but for the works in question, any works of alteration; and

(b) in the case of a protected building which is a scheduled monument within the meaning of the Historic Monuments Act (Northern Ireland) [M41]1971 and in respect of which a protection order, within the meaning of that Act, is in force, works of alteration for which consent has been given under section 10 of that Act; and

(c) in any other case, works of alteration which may not, or but for the existence of a Crown interest or Duchy interest could not, be carried out unless authorised under, or under any provision of,-

(i) **[**[F191]Part I of the Planning (Listed Buildings and Conservation Areas) Act 1990**]**

(ii) Part IV of the Town and Country Planning (Scotland) Act [M42]1972,

(iii) Part V of the Planning (Northern Ireland) Order [M43]1972, or

(iv) Part I of the [M44]Ancient Monuments and Archaeological Areas Act 1979,

and for which, except in the case of a Crown interest or Duchy interest, consent has been obtained under any provision of that Part;

and in paragraph (*c*) above "Crown interest" and "Duchy interest" have the same meaning as in section 50 of the said Act of 1979.

Status: *Point in time view as at 01/02/1991. This version of this Act contains provisions that are not valid for this point in time.*
Changes to legislation: *There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)*

(4) For the purposes of paragraph (*a*) of Note (3), a building used or available for use by a minister of religion wholly or mainly as a residence from which to perform the duties of his office shall be treated as not being an ecclesiastical building.

(5)

[F192](6) In item 2 "alteration" does not include repair or maintenance; and where any work consists partly of an approved alteration and partly of other work, an apportionment shall be made to determine the supply which falls within item 2.

[[F193](6A) For the purposes of item 2 the construction of a building separate from, but in the curtilage of, a protected building does not constitute an alteration of the protected building.**]**

[[F194](7) Item 2 does not include the supply of services described in paragraph 1(1) or 5(3) of Schedule 2 to this Act.**]**

Textual Amendments

F188 Words substituted by Finance Act 1989 (c. 26, SIF 40:2), s. 18, Sch. 3 paras. 2(3), 12, **13** (with Sch. 3 para. 13(2)(4))

F189 Words substituted by Planning (Consequential Provisions) Act 1990 (c. 11, SIF 123:1, 2), s. 4, **Sch. 2 para. 61(a)**

F190 Note (1A) inserted by Finance Act 1989 (c. 26, SIF 40:2), s. 18, Sch. 3 paras. 2(4), 12, **13** (with Sch. 3 para. 13(2)(4))

F191 Words substituted by Planning (Consequential Provisions) Act 1990 (c. 11, SIF 123:1, 2), s. 4, **Sch. 2 para. 61(b)**

F192 Note (5) repealed by Finance Act 1989 (c. 26, SIF 40:2), ss. 18, 187(1), Sch. 3 paras. 2(5), 12, 13, **Sch. 17 Pt. III** Note 2 (with Sch. 3 para. 13(2)(4))

F193 Note (6A) inserted by Finance Act 1989 (c. 26, SIF 40:2), s. 18, Sch. 3 paras. 2(6), 12, **13** (with Sch. 3 para. 13(2)(4))

F194 Note (7) substituted by Finance Act 1989 (c. 26, SIF 40:2), s. 18, Sch. 3 paras. 2(7), 12, **13** (with Sch. 3 para. 13(2)(4))

Marginal Citations

M37 1972 c. 52 (**123:2**).

M38 S.I. 1972/1634 (N.I. 17)

M39 1979 c. 46 (**3**)

M40 1971 c. 17 (N.I.)

M41 1971 c.17 (N.I.)

M42 1972 c. 52 (**123:2**)

M43 S.I. 1972/1634 (N.I. 17)

M44 1979 c. 46(3)

GROUP 9—INTERNATIONAL SERVICES

Item No.

1 The supply of services relating to land situated outside the United Kingdom.

Status: *Point in time view as at 01/02/1991. This version of this Act contains provisions that are not valid for this point in time.*
Changes to legislation: *There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)*

[F195 2 The letting on hire of any means of transport for use in a place outside the United Kingdom and the other member States of the Economic Community throughout the period of the hiring which-

(a) are exported by the lessor to such a place, or

(b) are in such a place at the time of the supply.]

Textual Amendments

F195 Sch. 5 Group 9 Item 2 substituted by S.I. 1985/799, **art. 4**(*a*)

[F196 3 The supply of—

(a) cultural, artistic, sporting, scientific, educational or entertainment services; or

(b) exhibition services; or

(c) services ancillary to, including that of organising, the performance outside the United Knigdom of any services in paragraphs (a) or (b),

being services performed outside the United Kingdom.]

Textual Amendments

F196 Sch. 5 Group 9 Item 3 substituted by S.I. 1987/518, **art. 3**

4 The supply of services of valuing or of carrying out work on goods situated outside the United Kingdom, being services performed outside the United Kingdom.

5 The supply to a person in his business capacity (and not in his private capacity) who in that capacity belongs in a country, other than the United Kingdom, which is a member State of the Economic Community of any service comprised in paragraphs 1 to 7 of Schedule 3 to this Act.

6 The supply to a person who belongs in a country, other than the Isle of Man, which is not a member State of the Economic Community of—

(a) any service comprised in paragraphs 1 to 7 of Schedule 3 to this Act other than—

(i) insurance and reinsurance services described in Group 2 of Schedule 6 to this Act;

(ii) the issue, transfer or receipt of, or any dealing with any certificate of deposit;

(b) insurance by a person described in item 1 of Group 2 of Schedule 6 to this Act other than that upon or against any risks or other things described in groups 3 and 4 of Part II of Schedule 2 to the M45 Insurance Companies Act 1982;

(c) reinsurance by a person described in item 1 of Group 2 of Schedule 6 to this Act;

Status: *Point in time view as at 01/02/1991. This version of this Act contains provisions that are not valid for this point in time.*
Changes to legislation: *There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)*

(d) services comprised in item 3 or 4 of Group 2 of Schedule 6 to this Act which are in respect of a supply of insurance or reinsurance comprised in this item.

Marginal Citations
M45 1982 c. 50.

7 The supply of—

(a) insurance (and not of reinsurance) by a person described in item 1 of Group 2 of Schedule 6 to this Act upon or against any risks or other things described in groups 3 and 4 of Part II of Schedule 2 to the Insurance Companies Act 1982 where the supply is in connection with the carriage of passengers, or of goods, to or from a place, other than the Isle of Man, outside the member States of the Economic Community;

(b) services comprised in item 3 or 4 of Group 2 of Schedule 6 to this Act which are in respect of a supply of insurance comprised in this item.

8 The supply—

(a) by the Export Credits Guarantee Department or a person described in item 1 of Group 2 of Schedule 6 to this Act of insurance against risks incurred in the making of advances or the granting of credits in connection with goods for export outside the member States of the Economic Community, other than goods for removal to the Isle of Man; or

(b) of services comprised in item 3 or 4 of Group 2 of Schedule 6 to this Act which are in respect of a supply of insurance comprised in this item.

9 The supply of services comprised in **[**[F197]items 1 to 5**]**of Group 5 of Schedule 6 to this Act where the services are in connection with—

(a) the export of specific goods; or

(b) the transhipment (whether within or outside the United Kingdom) of goods,

the ultimate destination of the goods being a place outside the Economic Community other than the Isle of Man.

Textual Amendments
F197 Words substituted by S.I. 1987/518, **art. 6**

10 The supply of services to a person who belongs in a country, other than the United Kingdom, of work carried out on goods which, for that purpose, are acquired within, or imported into, the United Kingdom for subsequent export and in fact are exported.

11 The supply of services in procuring for another person—

(a) an export of goods from the United Kingdom; or

(b) any of the supplies of services comprised in item 1, 2, 3, 4, 5, 6, or 10 of this Group; or

(c) any supply of goods or services made outside the United Kingdom.

Notes:

(1) Item 1 includes—

(a) services in the course of the construction, alteration, repair, maintenance or demolition of any building or of any civil engineering work; and

(b) services such as are supplied by estate agents and auctioneers, architects, surveyors, engineers and others involved in matters relating to land,

but does not include any services comprised in paragraphs 1 to 7 of Schedule 3 to this Act.

[[F198](2) Item 3-

(a) "exhibition"includes any conference or meeting;

(b) there are not included any services comprised in paragraphs 1 to 7 of Schedule 3 to this Act other than the letting on hire of stands at exhibitions.]

(3) Items 1 to 5 do not include services comprised in any Group of Schedule 6 to this Act.

(4) Items 5 and 6 do not include—

(a) services of education, health or training (which are not comprised in any Group of Schedule 6 to this Act) performed in the United Kingdom other than training supplied to a foreign Government acting in furtherance of its sovereign activities; or

(b)

[F199](c)

[[F200][F199](d) the letting on hire of any goods to be used in the United Kingdom.]

(5) Item 6 does not include services comprised in any Group other than those comprised in Group 2 or Group 5 of Schedule 6 to this Act.

(6) In item 6 "certificate of deposit" means a document relating to money, in any currency, which has been deposited with the issuer or some other person, being a document which recognises an obligation to pay a stated amount to bearer or to order, with or without interest, and being a document by the delivery of which, with or without endorsement, the right to receive that stated amount, with or without interest, is transferable.

(7)[F201](a) boats of a gross tonnage of less than 15 tons or boats designed for use for recreation or pleasure, except in either case boats which are of a kind used solely as liferafts and comply with the requirements of the rules for the time being in force under section 427 of the [M46]Merchant Shipping Act 1894 in relation to liferafts;

(b) boats adapted for use for recreation or pleasure;

(c) aircraft—

(i) of a weight of less than 8,000 kilogrammes; or

(ii) designed or adapted for use for recreation or pleasure;

(d) hovercraft designed or adapted for use for recreation or pleasure.

Status: *Point in time view as at 01/02/1991. This version of this Act contains provisions that are not valid for this point in time.*
Changes to legislation: *There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)*

(8) Item 11 does not include the supply of services of procurement by a travel agent for the account of a traveller where the place of enjoyment of the supplies procured is in a member State of the Economic Community.

Textual Amendments

F198 Note (2) as enacted was repealed by S.I. 1985/799, **art. 4(b)** and the present version of Note (2) was added by S.I. 1987/518, **art. 4**.

F199 Note (4)(*b*)(*c*) repealed by S.I. 1987/518, **art. 5**

F200 Note (4)(*d*) added by S.I. 1985/799, **art. 4(c)**

F201 Note (7) repealed by S.I. 1984/767, **art. 2**

Marginal Citations

M46 1894 c. 60.

GROUP 10—TRANSPORT

Item No.

1 The supply, repair or maintenance of any ship which is neither—
(a) a ship of a gross tonnage of less than 15 tons; nor
(b) a ship designed or adapted for use for recreation or pleasure.

2 The supply, repair or maintenance of any aircraft which is neither—
(a) an aircraft of a weight of less than 8,000 kilogrammes; nor
(b) an aircraft designed or adapted for use for recreation or pleasure.

[[F202]3 (a) The supply to and repair or maintenance for **[**[F203]a charity providing rescue or assistance at sea**]** of-
(i) any lifeboat;
(ii) carriage equipment designed solely for the launching and recovery of lifeboats;
(iii) tractors for the sole use of the launching and recovery of lifeboats;
(iv) winches and hauling equipment for the sole use of the recovery of lifeboats;

[[F204](b) the construction, modification, repair or maintenance for a charity providing rescue or assistance at sea of slopways used solely for the launching and recovery of lifeboats.**]]**

Textual Amendments

F202 Sch. 5 Group 10 Item 3 substituted by S.I. 1984/631, **art. 3**

F203 Words substituted by S.I. 1990/752, **art. 3(a)**

F204 Para. (b) substituted by S.I. 1990/752, **art. 3(b)**

4 Transport of passengers—

(a) in any vehicle, ship or aircraft designed or adapted to carry not less than twelve passengers; or

(b) by the Post Office; [F205]

(c) on any scheduled flight **[**[F206]or

(d) from a place within to a place outside the United Kingdom or vice versa, to the extent that those services are supplied in the United Kingdom**]**.

Textual Amendments

F205 Word repealed by S.I. 1990/752, **art. 4(a)**

F206 Words added by S.I. 1990/752, **art. 4(b)**

5 Transport of [F207]freight outside the United Kingdom or to or from a place outside the United Kingdom.

Textual Amendments

F207 Words repealed by S.I. 1990/752, **art. 5**

6 Any services provided for—

(a) the handling of ships or aircraft in a port **[**[F208], customs and excise airport or outside the United Kingdom**]**; or

(b) the handling **[**[F209]or storage**]**, in a port or customs and excise airport or on land adjacent to a port, of goods carried in a ship or aircraft.

Textual Amendments

F208 Words substituted by S.I. 1990/752, **art. 6(a)**

F209 Words added by S.I. 1990/752, **art. 6(b)**

7 Pilotage services.

8 Salvage or towage services.

9 Any services supplied [F210]for or in connection with the surveying of any ship or aircraft or the classification of any ship or aircraft for the purposes of any register.

Textual Amendments

F210 Words repealed by S.I. 1990/752, **art. 7**

Status: *Point in time view as at 01/02/1991. This version of this Act contains provisions that are not valid for this point in time.*
Changes to legislation: *There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)*

10 The making of arrangements for—

(a) the supply of, or of space in, any ship or aircraft; or

(b) the supply of any service included in items 1 to 9, 11 and 12.

11 The supply of services, performed outside the United Kingdom, which are ancillary to the transport of goods [F211].

Textual Amendments

F211 Words repealed by S.I. 1990/752, **art. 8**

12 The supply to a person in his business capacity (and not in his private capacity) who in that capacity belongs in a country other than the United Kingdom—

(a) of services consisting of the handling or storage of goods at or their transport to or from the place at which they are to be exported or have been imported or of the handling or storage of such goods in connection with such transport; or

(b) of services comprised in paragraph (a) of item 6, item 9 or paragraph (a) of item 10.

[13 The supply of a designated travel service to be enjoyed outside the European Community, to the extent to which the supply is so enjoyed.**]**

Notes:

[[F212](1) In items 1 and 2 the supply of a ship or, as the case my be, aircraft includes the supply of services under a charter of that ship or aircraft except where the services supplied under such a charter consist wholly of any one or more of the following:

(a) transport of passengers,

(b) accommodation,

(c) entertainment,

(d) education,

being services wholly performed in the United Kingdom.**]**

(2) Items 1, 2 and 3 include the letting on hire of **[**[F213]goods**]**specified in the items.

[[F214](2A) Item 3 shall not apply unless, before the supply is made, the recipient of the suppply gives to the person making the supply a certificate stating:

(a) the name and address of the recipient,

(b) that the supply is of a description specified in item 3 of this Group.**]**

[[F215](3) "Lifeboat"means any vessel used or to be used solely for rescue or assistance at sea.**]**

(4) Item 6 does not include the letting on hire of goods.

(5) "Port" and "customs and excise airport" have the same meanings as in the [M47]Customs and Excise Management Act 1979.

(6) Except for the purposes of item 12, paragraph (a) of item 6, item 9 and paragraph (a) of item 10 do not include the supply of any services where the ships or aircraft referred to in those paragraphs are of the descriptions specified in paragraphs (a) and (b) of item 1 or in paragraphs (a) and (b) of item 2.

[[F216](7) "Designated travel service"has the same meaning as in the Value Added Tax (Tour Operators) Order 1987.**]**

Textual Amendments

F212 Note (1) substituted by S.I. 1990/752, **art. 9**
F213 Words substituted by S.I. 1984/631, **art. 4**
F214 Note (2A) inserted by S.I. 1990/752, **art. 10**
F215 Note (3) substituted by S.I. 1990/752, **art. 11**
F216 Note (7) added by S.I. 1987/1806, **art. 11(2)**

Marginal Citations

M47 1979 c. 2.

VALID FROM 01/01/1993

Notes:

(1) **[**[F217]In items 1 and 2 the supply of a ship or, as the case my be, aircraft includes the supply of services under a charter of that ship or aircraft except where the services supplied under such a charter consist wholly of any one or more of the following:

(a) transport of passengers,
(b) accommodation,
(c) entertainment,
(d) education,

being services wholly performed in the United Kingdom.**]**

(2) Items 1, 2 and 3 include the letting on hire of **[**[F218]goods**]**specified in the items.

(2A) **[**[F219]Item 3 shall not apply unless, before the supply is made, the recipient of the suppply gives to the person making the supply a certificate stating:

(a) the name and address of the recipient,
(b) that the supply is of a description specified in item 3 of this Group.**]**

(3) **[**[F220]"Lifeboat"means any vessel used or to be used solely for rescue or assistance at sea.**]**

(4) Item 6 does not include the letting on hire of goods.

(5) "Port" and "customs and excise airport" have the same meanings as in the [M48]Customs and Excise Management Act 1979.

(6) Except for the purposes of item 12, paragraph (a) of item 6, item 9 and paragraph (a) of item 10 do not include the supply of any services where the ships or aircraft referred to in those paragraphs are of the descriptions specified in paragraphs (a) and (b) of item 1 or in paragraphs (a) and (b) of item 2.

(7) **[**[F221]"Designated travel service"has the same meaning as in the Value Added Tax (Tour Operators) Order 1987.**]**

(8) **[**[F222]"Intra-Community transport services" means—

Status: *Point in time view as at 01/02/1991. This version of this Act contains provisions that are not valid for this point in time.*
Changes to legislation: *There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)*

(a) the intra-Community transport of goods within the meaning of the Value Added Tax (Place of Supply of Services) Order 1992 [F223];

(b) ancillary transport services within the meaning of the Value Added Tax (Place of Supply of Services) Order 1992 [F223] which are provided in connection with the intra-Community transport of goods; or

(c) the making of arrangements for the supply by or to another person of a supply within (a) or (b) above or any other activity which is intended to facilitate the making of such a supply,

and, for the purpose of this Note only, the Azores and Madeira shall each be treated as a separate member State.**]**

Textual Amendments

F217 Note (1) substituted by S.I. 1990/752, **art. 9**
F218 Words substituted by S.I. 1984/631, **art. 4**
F219 Note (2A) inserted by S.I. 1990/752, **art. 10**
F220 Note (3) substituted by S.I. 1990/752, **art. 11**
F221 Note (7) added by S.I. 1987/1806, **art. 11(2)**
F222 Sch. 5 Group 10 Note (8) added (1.1.1993) by S.I. 1992/3126, **art. 2(b)**.
F223 S.I. 1992/3121.

Marginal Citations

M48 1979 c. 2.

GROUP 11—CARAVANS AND HOUSEBOATS

Item No.

1 Caravans exceeding the limits of size for the time being permitted for the use on roads of a trailer drawn by a motor vehicle having an unladen weight of less than 2,030 kilogrammes.

2 Houseboats being boats or other floating decked structures designed or adapted for use solely as places of permanent habitation and not having means of, or capable of being readily adapted for, self-propulsion.

3 The supply of such services as are described in paragraph 1(1) or 5(3) of Schedule 2 to this Act in respect of a caravan comprised in item 1 or a houseboat comprised in item 2.

Note:

This Group does not include—

(a) removable contents other than goods of a kind mentioned in item 3 of Group 8; or

[[F224](b) the supply of accommodation in a caravan or houseboat.**]**

Status: *Point in time view as at 01/02/1991. This version of this Act contains provisions that are not valid for this point in time.*
Changes to legislation: *There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)*

Textual Amendments

F224 Sch. 5 Group 11 Note para. (b) substituted by Finance Act 1989 (c. 26, SIF 40:2), s. 18, Sch. 3 paras. 3, **12**

GROUP 12—GOLD

Item No.

1 The supply, by a Central Bank to another Central Bank or a member of the London Gold Market, of gold held in the United Kingdom.

2 The supply, by a member of the London Gold Market to a Central Bank, of gold held in the United Kingdom.

Notes:

(1) "Gold" includes gold coins.

(2) Section 16(3) of this Act does not apply to goods forming part of a description of supply in this Group.

(3) Items 1 and 2 include—

(a) the granting of a right to acquire a quantity of gold; and

(b) any supply described in those items which by virtue of paragraph 1 of Schedule 2 to this Act is a supply of services.

GROUP 13—BANK NOTES

Item No.

1 The issue by a bank of a note payable to bearer on demand.

GROUP 14—DRUGS, MEDICINES, AIDS FOR THE HANDICAPPED, ETC.

Item No.

1 The supply of any goods dispensed, by a person registered in the register of pharmaceutical chemists kept under the [M49]Pharmacy Act 1954 or the [M50]Pharmacy (Northern Ireland) Order 1976, on the prescription of a person registered in the register of medical practitioners, the register of medical practitioners with limited registration or the dentists' register.

Marginal Citations

M49 1954 c. 61.

M50 1976 S.I. No. 1213 (N.I. 22).

Status: *Point in time view as at 01/02/1991. This version of this Act contains provisions that are not valid for this point in time.*
Changes to legislation: *There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)*

2 The supply to a handicapped person for domestic or his personal use, or to a charity for making available to handicapped persons by sale or otherwise, for domestic or their personal use, of—

(a) medical or surgical appliances designed solely for the relief of a severe abnormality or severe injury;

(b) electrically or mechanically adjustable beds designed for invalids;

(c) commode chairs, commode stools, devices incorporating a bidet jet and warm air drier and frames or other devices for sitting over or rising from a sanitary appliance;

(d) chair lifts or stair lifts designed for use in connection with invalid wheelchairs;

(e) hoists and lifters designed for use by invalids;

[[F225](f) motor vehicles designed or substantially and permanently adapted for the carriage of a person in a wheelchair or on a stretcher and of no more than five other persons;**]**

(g) equipment and appliances not included in paragraphs (a) to (f) above designed solely for use by a handicapped person;

(h) parts and accessories designed solely for use in or with goods described in paragraphs (a) to (g) above.

Textual Amendments

F225 Sch. 5 Group 14 Item 2(*f*) substituted by S.I. 1984/489, **art. 4**

3 The supply to a handicapped person of services of adapting goods to suit his condition.

4 The supply to a charity of services of adapting goods to suit the condition of a [F226]handicapped person to whom the goods are to be made available, by sale or otherwise, by the charity.

Textual Amendments

F226 Word repealed by S.I. 1984/489, **art. 5**

[[F227]5 The supply to a handicapped person or to a charity of a service of repair or maintenance of any goods specified in item 2, 6, 15 or 16 and supplied as described in that item.**]**

Textual Amendments

F227 Sch. 5 Group 14 Item 5 substituted by S.I. 1986/530, **art. 3**(*a*)

6 The supply of goods in connection with a supply described in item 3, 4 or 5.

[F228 7 The supply to a handicapped person or to a charity of services necessarily performed in the installation of equipment or appliances (including parts and accessories therefor) specified in item 2 and supplied as described in that item.]

Textual Amendments
F228 Items 7–11 added by S.I. 1984/489, **art. 6**

8 The supply to a handicapped person of a service of constructing ramps or widening doorways or passages for the purpose of facilitating his entry to or movement within his private residence.

9 The supply to a charity of a service described in item 8 for the purpose of facilitating a handicapped person's entry to or movement within any building.

[F229 10 The supply to a handicapped person of a service of providing, extending or adapting a bathroom, washroom or lavatory in his private residence where such provision, extension or adaptation is necessary by reason of his condition.]

Textual Amendments
F229 Item 10 substituted by S.I. 1986/530, **art. 3**(*b*)

[F230 10A The supply to a charity of a service of providing, extending or adapting a bathroom, washroom or lavatory for use by handicapped persons in a residential home where such provision, extension or adaptation is necessary by reason of the condition of the handicapped persons.]

Textual Amendments
F230 Item 10A inserted by S.I. 1987/437, **art. 2(1)**

VALID FROM 01/04/1992

[F231 10B The supply to a charity of a service of providing, extending or adapting a washroom or lavatory for use by handicapped persons in a building, or any part of a building, used principally by a charity for charitable purposes where such provision, extension or adaptation is necessary to facilitate the use of the washroom or lavatory by handicapped persons.]

Status: *Point in time view as at 01/02/1991. This version of this Act contains provisions that are not valid for this point in time.*
Changes to legislation: *There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)*

Textual Amendments
F231 Item 10B added (1.4.1992) by S.I. 1992/628, **art. 4(b)**.

[[F232]11 The supply of goods in connection with a supply described in items 8, 9, 10 or 10A**]**

Textual Amendments
F232 Item 11 substituted by S.I.1987/437, **art. 2(2)**

[[F233]12 The letting on hire of a motor vehicle for a period of not less than three years to a handicapped person in receipt of a mobility allowance or mobility supplement where the lessor's business consists predominantly of the provision of motor vehicles to such persons.**]**

Textual Amendments
F233 Item 12 added by S.I. 1984/959, **art. 2**(*a*)

VALID FROM 29/12/1992

[[F234]12A The sale of a motor vehicle which had been let on hire in the circumstances described in item 12, where such sale constitutes the first supply of the vehicle after the end of the period of such letting.**]**

Textual Amendments
F234 Sch. 5 Group 14 Item 12A inserted (29.12.1992) by S.I. 1992/3065, **art.2**.

[[F235]13 The supply to a handicapped person of services necessarily performed in the installation of a lift for the purpose of facilitating his movement between floors within his private residence.**]**

Textual Amendments
F235 Items 13–17 added by S.I. 1986/530, **art. 3**(*c*)

14 The supply to a charity providing a permanent or temporary residence or day-centre for handicapped persons of services necessarily performed in the installation of a lift for the purpose of facilitating the movement of handicapped persons between floors within that building.

Status: *Point in time view as at 01/02/1991. This version of this Act contains provisions that are not valid for this point in time.*
Changes to legislation: *There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)*

15 The supply of goods in connection with a supply described in item 13 or 14.

16 The supply to a handicapped person for domestic or his personal use, or to a charity for making available to handicapped persons by sale or otherwise for domestic or their personal use, of an alarm system designed to be capable of operation by a handicapped person, and to enable him to alert directly a specified person or a control centre.

17 The supply of services necessarily performed by a control centre in receiving and responding to calls from an alarm system specified in item 16.

Notes:

(1) Section 16(3) of this Act does not apply to goods forming part of a description of supply in item 1, nor to other goods forming part of a description of supply in this Group, except where those other goods are imported by a handicapped person for domestic or his personal use, or by a charity for making available to handicapped persons, by sale or otherwise, for domestic or their personal use.

(2) For the purposes of item 1 a person who is not registered in the visiting EEC practitioners list in the register of medical practitioners at the time he performs services in an urgent case as mentioned in subsection (3) of section 18 of the [M51]Medical Act 1983 is to be treated as being registered in that list where he is entitled to be registered in accordance with that section.

(3) "Handicapped" means chronically sick or disabled.

(4) Item 2 shall not include hearing aids (except hearing aids designed for the auditory training of deaf children), dentures, spectacles and contact lenses but shall be deemed to include—
   (a) clothing, footwear and wigs;
   (b) invalid wheelchairs, and invalid carriages other than mechanically propelled vehicles intended or adapted for use on roads; and
   (c) renal haemodialysis units, oxygen concentrators, artificial respirators and other similar apparatus.

(5) The supplies described in items 1 and 2 include supplies of services of letting on hire of the goods respectively comprised in those items.

[[F236](6) Item 12 applies only-
   (a) where the vehicle is unused at the commencement of the period of letting;
   (b) where the consideration for the letting consists wholly or partly of sums paid to the lessor by the [[F237]Department of Social Security][[F238]or the Ministry of Defence]on behalf of the lessee in respect of the mobility allowance or mobility supplement to which he is entitled; and
   (c) to contracts of hire entered into on or after 1st September 1984.

(7) In item 12 "mobility allowance" is a mobility allowance within the meaning of section 37A of the Social Security Act 1975 or section 37A of the Social Security (Northern Ireland) Act 1975; and "mobility supplement" is a mobility supplement within the meaning of article 26A of the Naval, Military and Air Forces etc. (Disablement and Death) Service Penions Order 1983 [[F239], article 25A

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Changes to legislation: *There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)*

of the Personal Injuries (Civilians) Scheme 1983, article 3 of the Motor Vehicles (Exemption from Vehicles Excise Duty) (Northern Ireland) Order 1985.**]]**

[[F240](8) Where in item 3 or 4 the goods are adapted in accordance with that item prior to their supply to the handicapped person or the charity, an apportionment shall be made to determine the supply of services which falls within item 3 or 4.

(9) In item 16 or 17, a specified person or control centre is a person or centre who or which

(a) is appointed to receive directly calls activated by an alarm system described in that item, and

(b) retains information about the handicapped person to assist him in the event of illness, injury or similar emergency.**]**

Textual Amendments

F236 Notes (6) and (7) added by S.I. 1984/959, **art. 2**(*b*)

F237 Words substituted by S.I. 1988/1843, art. 5(4), **Sch. 3 para. 4(b)**

F238 Words inserted by S.I. 1985/919, **art. 3**(*a*)

F239 Words substituted by S.I. 1985/919, **art. 3**(*b*)

F240 Notes (8) and (9) added by S.I. 1986/530, **art. 3**(*d*)

Marginal Citations

M51 1983 c. 54.

GROUP 15—IMPORTS, EXPORTS, ETC.

Item No.

1 The supply of imported goods before the delivery of an entry (within the meaning of section 37 of the [M52]Customs and Excise Management Act 1979) under an agreement requiring the purchaser to make such entry.

Marginal Citations

M52 1979 c. 2.

. . . . . .

[F241]2

Textual Amendments

F241 Sch. 5 Group 15 Item 2 and Note (1) repealed by Finance Act 1987 (c. 16, SIF 40:2), ss. 13(5), 72(7), **Sch. 16 Pt. 1V**

3 The supply to or by an overseas authority, overseas body or overseas trader, charged with the management of any defence project which is the subject of

an international collaboration arrangement or under direct contract with any government or government-sponsored international body participating in a defence project under such an arrangement, of goods or services in the course of giving effect to that arrangement.

4 The supply to an overseas authority, overseas body or overseas trader of jigs, patterns, templates, dies, punches and similar machine tools used in the United Kingdom solely for the manufacture of goods for export.

Notes:

(1)

[F242](2) An "international collaboration arrangement" means any arrangement which—

(a) is made between the United Kingdom Government and the government of one or more other countries, or any government-sponsored international body for collaboration in a joint project of research, development or production; and

(b) includes provision for participating governments to relieve the cost of the project from taxation.

(3) "Overseas authority" means any country other than the United Kingdom or any part of or place in such a country or the government of any such country, part or place.

(4) "Overseas body" means a body established outside the United Kingdom.

(5) "Overseas trader" means a person who carries on a business and has his principal place of business outside the United Kingdom.

(6) Item 4 does not apply where the overseas authority, overseas body or overseas trader is a taxable person.

Textual Amendments

F242 Sch. 5 Group 15 Item 2 and Note (1) repealed by Finance Act 1987 (c. 16, SIF 40:2), ss. 13(5), 72(7), **Sch. 16 Pt. 1V**

VALID FROM 01/01/1993

[[F243]GROUP 15A—TAX FREE SHOPS

Textual Amendments

F243 Sch. 5 Group 15A inserted (1.1.1993) by S.I. 1992/3131, **arts. 1**,2.

Item No.]

[F244]*Notes:*

Status: *Point in time view as at 01/02/1991. This version of this Act contains provisions that are not valid for this point in time.*
Changes to legislation: *There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)*

(1) For the purpose of determining the aggregate value of any goods referred to in Item 1(a) only the whole of the value of any item, or group of items which are normally sold as a set or collection, may be included in the aggregate value of £36.

(2) "tax free shop" means any shop which is situated within an airport, port or Channel Tunnel terminal and which is approved by the Commissioners for the supply of goods for the purposes of this Group and in this note "Channel Tunnel terminal" means the area situated in the vicinity of Cheriton, Folkestone referred to in section 1(7)(b) of the Channel Tunnel Act 1987 [F245].

(3) "relevant journey" means a journey by air or sea from the United Kingdom to a place in another member State where the traveller is to disembark and includes, for the purposes of Item 1, a journey by a Channel Tunnel shuttle train.

(4) "traveller" means any passenger travelling under a transport document for air or sea travel stating that the immediate destination is a place in another member State (including such a transport document stating that the final destination is a place outside the member States) or for shuttle train travel.

(5) Items 1 and 2 do not apply where the supply is to a traveller under 17 years of age of goods falling within Item 1(b), other than perfumes and toilet waters.

(6) In these Notes "shuttle train" has the meaning given in section 1(9) of the Channel Tunnel Act 1987.

Textual Amendments

F245 1987 c.53.

Textual Amendments

F244 Sch. 5 Group 15A inserted (1.1.1993) by S.I. 1992/3131, **art.2**.

F245 1987 c.53.

GROUP 16—CHARITIES, ETC.

Item No.

1 The supply by a charity established primarily for the relief of distress or for the protection or benefit of animals of any goods which have been donated for sale **[**[F246]or the supply of such goods by a taxable person who has covenanted by deed to give all the profits of that supply to such a charity.**]**.

Textual Amendments

F246 Words added by S.I. 1990/750, **art. 3**

[[F247]2 The donation of any goods for sale or export by a charity described in item 1 { [F248]or by a taxable person described in that item}**]**

Textual Amendments
F247 Item 2 substituted by S.I. 1987/437, **art. 3(1)**
F248 Words added by S.I. 1990/750, **art. 4**

3 The export of any goods by a charity.

4 The supply of any relevant goods for donation to a nominated eligible body where the goods are purchased with funds provided by a charity or from voluntary contributions.

5 The supply of any relevant goods to an eligible body which pays for them with funds provided by a charity or from voluntary contributions or to an eligible body which is a charitable institution providing care or medical or surgical treatment for handicapped persons.

6 Repair and maintenance of relevant goods owned by an eligible body.

7 The supply of goods in connection with the supply described in item 6.

[[F249]8 The supply to a charity of a publication in any newspaper, journal, poster, programme, annual, leaflet, brochure, pamphlet, periodical or similar publication of an advertisement which is for the raising of money for, or making known the objects or reasons for the objects of, the charity **[**[F250]or the supply to a charity of any goods or services in connection with the preparation of such an advertisement.**]]**

Textual Amendments
F249 Item 8 added by S.I. 1986/530 and substituted by S.I. 1989/470, **art. 2**
F250 Words added by S.I. 1990/750, **art. 5**

[[F251]9 The supply to a charity, providing care or medical or surgical treatment for human beings or animals, or engaging in medical research, of a medicinal product where the supply is solely for use by the charity in such care, treatment or research.**]**

Textual Amendments
F251 Item 9 added by S.I. 1986/530, **art. 4**(*a*)

Status: *Point in time view as at 01/02/1991. This version of this Act contains provisions that are not valid for this point in time.*
Changes to legislation: *There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)*

[[F252]10 The supply to a charity of a substance directly used for synthesis or testing in the course of medical research.**]**

Notes:

[[F253](1) Item 1 shall apply only if the supply is a sale of goods donated to that charity or taxable person.**]**

(2) "The relief of distress" means—

(a) the relief of poverty; or

(b) the making of provision for the cure or mitigation or prevention of, or for the care of persons suffering from or subject to, any disease or infirmity or disability affecting human beings (including the care of women before, during and after childbirth).

(3) "Animals" includes any species of the animal kingdom.

(4) "Relevant goods" means—

(a) **[**[F254]medical, scientific, computer, video **[**[F255], sterilising**]**[F256], laboratory**]** or refrigeration**]**equipment [F257]for use in medical research, **[**[F258]training,**]**diagnosis or treatment;

(b) ambulances;

(c) **[**[F259]parts or accessories for use**]**in or with goods described in paragraph (a) or (b) above;

(d) goods of a kind described in item 2 of Group 14 of this Schedule.

[[F260](e) motor vehicles (other than vehicles with more than 50 seats) designed or substantially and permanently adapted for the safe carriage of a handicapped person in a wheelchair provided that-

(i) in the case of vehicles with more than 16 but fewer than 27 seats, the number of persons for which such provision shall exist shall be at least 2;

(ii) in the case of vehicles with more than 26 but fewer than 37 seats, the number of persons for which such provision shall exist shall be at least 3;

(iii) in the case of vehicles with more than 36 but fewer than 47 seats, the number of persons for which such provisions shall exist shall be at least 4;

(iv) in the case of vehicles with more than 46 seats, the number of persons for which such provision shall exist shall be at least 5;

(v) there is either a fitted electrically or hydraulically operated lift or, in the case of vehicles with fewer than 17 seats, a fitted ramp to provide access for a passenger in a wheelchair.**]**

[[F261](f) motor vehicles (with more than 6 but fewer than 51 seats) for use by an eligible body providing care for blind, deaf, mentally handicapped or terminally sick persons mainly to transport such persons.**]**

[[F262](g) telecommunication, aural, visual, light enhancing or heat detecting equipment (not being equipment ordinarly supplied for private or recreational use) solely for use for the purpose of rescue or first aid services undertaken by a charitable institution providing such services.**]**

(5) "Eligible body" means—

(a) a Regional, District or Special Health Authority in England and Wales;
(b) a Health Board in Scotland;
(c) a Health and Social Services Board in Northern Ireland;
(d) a hospital whose activities are not carried on for profit;
(e) a research institution whose activities are not carried on for profit;
(f) a charitable institution providing care or medical or surgical treatment for handicapped persons;
(g) the Common Services Agency for the Scottish Health Service, the Northern Ireland Central Services Agency for Health and Social Services or the Isle of Man Health Services Board.
[[F263](h) a charitable institution providing rescue or first aid services.**]**
[[F264](i) a National Health Service trust established under Part I of the National Health Service and Community Care Act [M53]1990 or the National Health Service (Scotland) [M54]Act 1978.**]**

(6) "Handicapped" means chronically sick or disabled.

(7) Item 4 does not apply where the donee of the goods is not a charity and has contributed in whole or in part to the funds for the purchase of the goods.

(8) Item 5 does not apply where the body to whom the goods are supplied is not a charity and has contributed in whole or in part to the funds for the purchase of the goods.

(9) Items 6 and 7 do not apply unless—
(a) the supply is paid for with funds which have been provided by a charity or from voluntary contributions, and
(b) in a case where the owner of the goods repaired or maintained is not a charity, it has not contributed in whole or in part to those funds.

[[F265](10) Items 4 and 5 include the letting on hire of relevant goods; accordingly in items 4, 5 and 6 and the notes relating thereto, references to the purchase or ownership of goods shall be deemed to include references respectively to their hiring and possession.

(11) Item 5 includes computer services by way of the provision of computer software solely for use in medical research, diagnosis or treatment.**]**

[[F266](12) In item 9—
(a) a "medicinal product" means any substance or article (not being an instrument, apparatus or appliance) which is for use wholly or mainly in either or both of the following ways-
(i) by being administered to one or more human beings or animals for a medicinal purpose;
(ii) as an ingredient in the preparation of a substance or article which is to be administered to one or more human beings or animals for a medicinal purpose;
(b) a "medicinal purpose" has the meaning assigned to it by section 130(2) of the Medicines Act 1968;
(c) "administer" has the meaning assigned to it by section 130(9) of the Medicines Act 1968;

(d)**]**

[[F267F268](13) In items 9 and 10—

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"substance" and "ingredient" have the meanings assigned to them by section 132 of the Medicines Act 1968.**]**

Textual Amendments

F252 Item 10 added by S.I. 1987/437, **art. 3(2)**
F253 Note (1) substituted by S.I. 1990/750, **art. 6**
F254 Words substituted by virtue of S.I. 1986/530, **art. 4**(*b*)
F255 Word added by S.I. 1989/470, **art. 2(b)**
F256 Word inserted by S.I. 1990/750, **art. 7(a)**
F257 Word repealed by S.I. 1990/750, **art. 7(b)**
F258 Word inserted by S.I. 1990/750, **art. 7(c)**
F259 Words substituted by S.I. 1990/750, **art. 8**
F260 Note (4)(*e*) added by S.I. 1984/766, **art. 2**
F261 Note (4)(*f*) added at the end of note (4) by S.I. 1986/530, **art. 4(c)** and substituted by S.I. 1987/437, **art. 3(3)**
F262 Note (4)(*g*) added at the end of Note (4) by S.I. 1987/437, **art. 3(4)**
F263 Para*h*) added by S.I. 1983/1717, **art. 2**(*a*)
F264 Para. (*i*) added by S.I. 1990/2129, **art. 2**
F265 Notes (10)(11) added by S.I. 1983/1717, **art 2**(*b*)
F266 Note (12) added by S.I. 1986/530, **art. 4**(*d*)
F267 Note (13) added by S.I. 1987/437, **art. 3(6)**
F268 Note (12)(d) repealed by S.I. 1987/437, **art. 3(5)**

Marginal Citations

M53 1990 c. 19*(113:2)*
M54 1978 c. 29*(113:2)*

GROUP 17—CLOTHING AND FOOTWEAR

Item No.

1 Articles designed as clothing or footwear for young children and not suitable for older persons.

2 **[**[F269]The supply to a person for use otherwise than by employees of his of**]**protective boots and helmets for industrial use.

Textual Amendments

F269 Words inserted by Finance Act 1989 (c. 26, SIF 40:2), **s. 22(1)(3)**

3 Protective helmets for wear by a person driving or riding a motor bicycle.

Notes:

(1) "Clothing" includes hats and other headgear.

(2) Item 1 does not include articles of clothing made wholly or partly of fur skin, except—
  (a) headgear;
  (b) gloves;
  (c) buttons, belts and buckles;
  (d) any garment merely trimmed with fur skin unless the trimming has an area greater than one-fifth of the area of the outside material or, in the case of a new garment, represents a cost to the manufacturer greater than the cost to him of the other components.

(3) "Fur skin" means any skin with fur, hair or wool attached except—
  (a) rabbit skin;
  (b) woolled sheep or lamb skin; and
  (c) the skin, if neither tanned nor dressed, of bovine cattle (including buffalo), equine animals, goats or kids (other than Yemen, Mongolian and Tibetan goats or kids), swine (including peccary), chamois, gazelles, deer or dogs.

(4) Items 2 and 3 apply only where the articles to which they refer are manufactured to standards for boots or helmets approved by the British Standards Institution and bear a marking indicating compliance with the specification relating to them.

(5) Items 1, 2 and 3 include the supply of the services described in paragraphs 1(1) and 5(3) of Schedule 2 to this Act in respect of goods comprised in the items **[**[F270], but, in the case of goods comprised in item 2, only if the goods are for use otherwise than by employees of the person to whom the services are supplied.**]**

Textual Amendments
F270 Words inserted by Finance Act 1989 (c. 26, SIF 40:2), **s. 22(2)(3)**

SCHEDULE 6

Sections 7 and 17.

EXEMPTIONS

[[F271]**GROUP 1—LAND**

Textual Amendments
F271 Sch. 6 Group 1 substituted by Finance Act 1989 (c. 26, SIF 40:2), s. 18, Sch. 3 paras. 4(1), **12**

Item No.**]**

1 The grant of any interest in or right over land or of any licence to occupy land, other than-
  (a) the grant of the fee simple in mdash;

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(i) a building which has not been completed and which is neither designed as a dwelling or number of dwellings nor intended for use solely for a relevant residential purpose or a relevant charitable purpose;

(ii) a new building which is neither designed as a dwelling or number of dwellings nor intended for use solely for a relevant residential purpose or a relevant charitable purpose after the grant;

(iii) a civil engineering work which has not been completed;

(iv) a new civil engineering work;

(b) the grant of any interest, right or licence consisting of a right to take game or fish;

(c) the provision in an hotel, inn, boarding house or similar establishment of sleeping accommodation or of accommodation in rooms which are provided in conjunction with sleeping accommodation or for the purpose of a supply of catering;

[[F272](d) the grant of any interest in, right over or licence to occupy holiday accomodation;**]**

(e) the provision of seasonal pitches for caravans, and the grant of facilities at caravan parks to persons for whom such pitches are provided;

(f) the provision of pitches for tents or of camping facilities;

(g) the grant of facilities for parking a vehicle;

(h) the grant of any right to fell and remove standing timber;

(i) the grant of facilities for housing, or storage of, an aircraft or for mooring, or storage of, a ship, boat or other vessel;

(j) the grant of any right to occupy a box, seat or other accommodation at a sports ground, theatre, concert hall or other place of entertainment; and

(k) the grant of facilities for playing any sport or participating in any physical recreation.

Notes:

(1) "Grant" includes an assignment, other than an assignment of an interest made to the person to whom a surrender of the interest could be made.

(2) A building shall be taken to be completed when an architect issues a certificate of practical completion in relation to it or it is first fully occupied, whichever happens first; and a civil engineering work shall be taken to be completed when an engineer issues a certificate of completion in relation to it or it is fully used, whichever happens first.

(3) Notes (2) to (6) to Group 8 of Schedule 5 to this Act apply in relation to this Group as they apply in relation to that Group.

(4) A building or civil engineering work is new if it was completed less than three years before the grant.

(5) Subject to Note (6), the grant of the fee simple in a building or work completed before 1st April 1989 is not excluded from this Group by paragraph (a)(ii) or (iv).

(6) Note (5) does not apply where the grant is the first grant of the fee simple made on or after 1st April 1989 and the building was not fully occupied, or the work not fully used, before that date.

(7) Where a grant of an interest in, right over or licence to occupy land includes a valuable right to take game or fish, an apportionment shall be made to determine the supply falling outside this Group by virtue of paragraph (b).

(8) "Similar establishment" includes premises in which there is provided furnished sleeping accommodation, whether with or without the provision of board or facilites for the preparation of food, which are used by or held out as being suitable for use by visitors or travellers.

(9) "Houseboat" includes a houseboat within the meaning of Group 11 of Schedule 5 to this Act.

[[F273](10) Paragraph (d) includes—

(a) any grant excluded from item 1 of Group 8 of Schedule 5 to this Act by Note (7) in that Group;

(b) any supply made pursuant to a tenancy, lease or licence under which the grantee is or has been permitted to erect and occupy holiday accommodation.**]**

[[F274](10A) Paragraph (d) does not include a grant in respect of a building or part which is not a new building of–

(a) the fee simple, or

(b) a tenancy, lease or licence to the extent that the grant is made for a consideration in the form of a premium.

(10B) "Holiday accommodation" includes any accommodation in a building, hut (including a beach hut or chalet), caravan, houseboat or tent which is advertised or held out as holiday accommodation or as suitable for holiday or leisure use, but excludes any accommodation within paragraph (c).**]**

(11) A seasonal pitch is a pitch—

(a) which is provided for a period of less than a year; or

(b) which is provided for a year or a period longer than a year but which the person to whom it is provided is prevented by the terms of any covenant, statutory planning consent or similar permission from occupying by living in a caravan at all times throughout the period for which the pitch is provided.

(12) "Mooring" includes anchoring or berthing

(13) Paragraph (k) shall not apply where the grant of the facilities is for—

(a) a continuous period of use exceeding twenty-four hours; or

(b) a series of ten or more periods, whether or not exceeding twenty-four hours in total, where the following conditions are satisfied-

(i) each period is in respect of the same activity carried on at the same place;

(ii) the interval between each period is not less than one day and not more than fourteen days;

(iii) consideration is payable by reference to the whole series and is evidenced by written agreement;

(iv) the grantee has exclusive use of the facilities; and

(v) the grantee is a school, a club, an association or an organisation representing affiliated clubs or constituent associations.

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Changes to legislation: *There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)*

Textual Amendments

F272 Sch. 6 para. (d) substituted by S.I. 1990/2553, **art. 3(a)**

F273 Note (10) substituted by S.I. 1990/2553, **art. 3(b)**

F274 Notes (10A) and (10B) inserted by S.I. 1990/2553, **art. 3(c)**

GROUP 2—INSURANCE

Item No.

[F275 1 The provision of insurance and reinsurance by—

(a) a person permitted in accordance with section 2 of the Insurance Companies Act 1982, to carry on insurance business; or

(b) an insurer who belongs outside the United Kingdom against any risks other things described in Schedules 1 and 2 to the Insurance Companies Act 1982.]

Textual Amendments

F275 Sch. 6 Group 2 Item 1 substituted by S.I. 1990/2037, **art. 2**

2 The provision of insurance and reinsurance by the Export Credits Guarantee Department.

3 The making of arrangements for the provision of any insurance or reinsurance in items 1 and 2.

4 The handling of insurance claims by insurance brokers, insurance agents and persons permitted to carry on insurance business as described in item 1.

Note: Item 4 does not include supplies by loss adjusters, average adjusters, motor assessors, surveyors and other experts, and legal services, in connection with the assessment of any claim.

GROUP 3—POSTAL SERVICES

Item No.

1 The conveyance of postal packets by the Post Office.

2 The supply by the Post Office of any services in connection with the conveyance of postal packets.

Notes:

(1) "Postal packet" has the same meaning as in the [M55]Post Office Act 1953, except that it does not include a telegram.

(2) Item 2 does not include the letting on hire of goods.

Marginal Citations

M55 1953 c. 36.

GROUP 4—BETTING, GAMING AND LOTTERIES

Item No.

1 The provision of any facilities for the placing of bets or the playing of any games of chance.

2 The granting of a right to take part in a lottery.

Notes:

(1) Item 1 does not include—
- (a) admission to any premises; or
- (b) the granting of a right to take part in a game in respect of which a charge may be made by virtue of regulations under section 14 of the [M56]Gaming Act 1968 **[**[F276]or regulations under Article 76 of the Betting, Gaming, Lotteries and Amusements (Northern Ireland) Order 1985**]**; or
- (c) the provision by a club of such facilities to its members as are available to them on payment of their subscription but without further charge; or
- (d) the provision of a gaming machine.

(2) "Game of chance" has the same meaning as in the Gaming Act 1968 **[**[F277]or in the Betting, Gaming, Lotteries and Amusements (Northern Ireland) Order 1985**]**.

(3)

[F278](4) "Gaming machine" means a machine in respect of which the following conditions are satisfied, namely—
- (a) it is constructed or adapted for playing a game of chance by means of it; and
- (b) a player pays to play the machine (except where he has an opportunity to play payment-free as the result of having previously played successfully) either by inserting a coin or token into the machine or in some other way; and
- (c) the element of chance in the game is provided by means of the machine.

Textual Amendments

F276 Words inserted by S.I. 1987/517, **art. 2(1)**

F277 Words inserted by S.I. 1987/517, **art. 2(2)**

F278 Note (3) repealed by Finance Act 1990 (c.29, SIF 40:2), s. 132, **Sch. 19 Pt. III**

Status: *Point in time view as at 01/02/1991. This version of this Act contains provisions that are not valid for this point in time.*
Changes to legislation: *There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)*

Marginal Citations
M56 1968 c. 65.

GROUP 5—FINANCE

Item No.

1 The issue, transfer or receipt of, or any dealing with, money, any security for money or any note or order for the payment of money.

2 The making of any advance or the granting of any credit.

3 The provision of the facility of instalment credit finance in a hire-purchase, conditional sale or credit sale agreement for which facility a separate charge is made and disclosed to the recipient of the supply of goods.

4 The provision of administrative arrangements and documentation and the transfer of title to the goods in connection with the supply described in item 3 if the total consideration therefor is specified in the agreement and does not exceed £10.

5 The making of arrangements for any transaction comprised in item 1, 2, 3 or 4 **[**[F279]or the underwriting of an issue within item 1**]**.

Textual Amendments
F279 Words added by Finance Act 1987 (c. 16, SIF 40:2), **s. 18(1)(a)(2)**

[[F280]6 The issue, transfer or receipt of, or any dealing with, any security or secondary security being:–

(a) shares, stock, bonds, notes (other than promissory notes), debentures, debenture stock or shares in an oil royalty; or

(b) any document relating to money, in any currency, which has been deposited with the issuer or some other person, being a document which recognises an obligation to pay a stated amount to bearer or to order, with or without interest, and being a document by the delivery of which, with or without endorsement, the right to receive that stated amount, with or without interest, is transferable; or

(c) any bill, note or other obligation of the Treasury or of a Government in any part of the world, being a document by the delivery of which, with or without endorsement, title is transferable, and not being an obligation which is or has been legal tender in any part of the world; or

(d) any letter of allotment or rights, any warrant conferring an option to acquire a security included in this item, any renounceable or scrip certificates, rights, coupons, coupons representing dividends or interest on such a security, bond mandates or other documents conferring or containing evidence of title to or rights in respect of such a security; or

(e) units or other documents conferring rights under any trust established for the purpose, or having the effect of providing, for persons having funds available for investment, facilities for the participation by them as beneficiaries under the trust, in any profits or income arising from the acquisition, holding, management or disposal of any property whatsoever.**]**

Textual Amendments

F280 Item 6 substituted by S.I. 1987/860, **art. 2**

[[F281]6A The making of arrangements for or the underwriting of any transaction within item 6.**]**

Textual Amendments

F281 Item 6A inserted by Finance Act 1987 (c. 16, SIF 40:2), **s. 18(1)(b)(2)** and, as substituted by S.I. 1989/2272, **art. 2(2)**

7 The operation of any current, deposit or savings account.

[[F282]8 The management of an authorised unit trust scheme or of a trust based scheme by the operator of the scheme.**]**

Textual Amendments

F282 Item 8 added by S.I. 1989/2272, **art. 2(3)**

7 *Notes:*

(1) Item 1 does not include anything included in item 6.

(2) This Group does not include the supply of a coin or a banknote as a collectors' piece or as an investment article.

(3) Item 2 includes the supply of credit by a person, in connection with a supply of goods or services by him, for which a separate charge is made and disclosed to the recipient of the supply of goods or services.

[[F283](4) This Group includes any supply by a person carrying on a credit card, charge card or similar payment card operation made in connection with that operation to a person

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who accepts the card used in the operation when presented to him in payment for goods or services.

(5) Item 6A includes the introduction to a person effecting transactions in securities or secondary securities within item 6 of a person seeking to acquire or dispose of such securities.

(6) In item 8—

(a) "authorised unit trust scheme" and "operator" have the same meanings as in section 207(1) of the Financial Services Act 1986;

(b) "trust based scheme" has the same meaning as in regulation 2(1)(b) of the Financial Services Act 1986 (Single Property Schemes) (Exemption) Regulations 1989.**]**

Textual Amendments

F283 Notes (4)(5)(6) added by S.I. 1985/432, **art. 2** and S.I. 1989/2272, **art. 2(4)**

GROUP 6—EDUCATION

Item No.

VALID FROM 01/08/1994

[F284]Item No.

Textual Amendments

F284 Words in Sch. 6 Group 6 (Education) substituted (1.8.1994) by S.I. 1994/1188, **art. 2**

VALID FROM 01/08/1994

[F285]Notes:

(1) For the purposes of this Group an "eligible body" is—

(a) a school within the meaning of the Education Acts 1944 to 1993 [F286], the Education (Scotland) Act 1980 [F287], the Education and Libraries (Northern Ireland) Order 1986 [F288] or the Education Reform (Northern Ireland) Order 1989 [F289], which is—

(i) provisionally or finally registered or deemed to be registered as a school within the meaning of the aforesaid legislation in a register of independent schools; or

(ii) a school in respect of which grants are made by the Secretary of State to the proprietor or managers; or

(iii) a maintained school within the meaning of the Education Act 1993 [F290] or the Education and Libraries (Northern Ireland) Order 1986; or

(iv) a public school within the meaning of section 135(1) of the Education (Scotland) Act 1980 [F291]; or

(v) a grant-maintained school within the meaning of section 22 of the Education Act 1993; or

(vi) a self-governing school within the meaning of section 1(3) of the Self-Governing Schools (Scotland) Act 1989 [F292]

(vii) a grant-maintained special school within the meaning of section 182(3) of the Education Act 1993; or

(viii) a grant-maintained integrated school within the meaning of Article 65 of the Education Reform (Northern Ireland) Order 1989 [F293];

(b) a United Kingdom university, and any college, institution, school or hall of such a university;

(c) an institution—

(i) falling within section 91(3)(a) or (b) or section 91(5)(b) or (c) of the Further and Higher Education Act 1992 [F294]; or

(ii) which is a designated institution as defined in section 44(2) of the Further and Higher Education (Scotland) Act 1992 [F295]; or

(iii) managed by a board of management as defined in section 36(1) of the Further and Higher Education (Scotland) Act 1992; or

(iv) to which grants are paid by the Department of Education for Northern Ireland under Article 66(2) of the Education and Libraries (Northern Ireland) Order 1986 [F296];

(d) a public body of a description in Note (5) of Group 7 of Schedule 6 to this Act;

(e) a body recognised under the British Council Recognition Scheme for the teaching of English as a foreign language.

(f) a body not falling within paragraphs (a) to (e) above which—

(i) is precluded from distributing and does not distribute any profit it makes; and

(ii) applies any profits made from supplies of a description within this Group to the continuance or improvement of such supplies.

(2) A supply by a body, which is an eligible body only by virtue of falling within Note (1)(e), shall not fall within this Group insofar as it consists of the provision of anything other than the teaching of English as a foreign language.

(3) “Vocational training" means training or re-training for—

(a) any trade, profession or employment; or

(b) any voluntary work connected with—

(i) education, health, safety, or welfare; or

(ii) the carrying out of activities of a charitable nature; and

(c) for the purposes of item 5, includes the provision of work experience.

(4) “Examination services" include the setting and marking of examinations, the setting of educational or training standards, the making of assessments and other services provided with a view to ensuring educational and training standards are maintained.

(5) For the purposes of item 5 a supply of any goods or services shall not be taken to be essential to the provision of vocational training unless the goods or services in question are provided directly to the trainee.

(6) For the purposes of item 6 a club is a “youth club" if—

(a) it is established to promote the social, physical, educational or spiritual development of its members;

(b) its members are mainly under twenty-one years of age; and

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(c) it satisfies the requirements of Note (1)(f)(i) and (ii).

Textual Amendments

F285 Words in Sch. 6 Group 6 (Education) substituted (1.8.1994) by S.I. 1994/1188, **art. 2**
F286 1993 c.35; for definition of school see **section 14(5)** of the Further and Higher Education Act 1992 (1992 c.13).
F287 1980 c.44.
F288 S.I. 1986/594 (N.I.3).
F289 S.I. 1989/2406 (N.I.20).
F290 1993 c.35.
F291 1980 c.44.
F292 1989 c.39.
F293 S.I. 1989/2406 (N.I.20).
F294 1992 c.13.
F295 1992 c.37.
F296 S.I. 1986/594 (N.I.3).

1 The provision of education or research by a school **[**[F297], eligible institution**]**or university.

Textual Amendments

F297 Words inserted by S.I. 1989/267, **art. 2(a)**

2 The provision, otherwise than for profit, of—
(a) education or research of a kind provided by a school or university; or
(b) training or re-training for any trade, profession or employment.

3 Private tuition, in subjects (except those of a recreational or sporting nature) which are normally taught in the course of education provided by a school or university, to an individual pupil by a teacher acting independently of any employer or organisation.

4 The supply of any goods or services incidental to the provision of any education, training or re-training comprised in items 1 and 2.

5 The provision of any instruction supplemental to the provision of any education comprised in items 1 and 2.

6 The provision by a youth club or association of youth clubs of the facilities available to its members.

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[[F298]7 The supply to a person receiving training or retraining pursuant to any arrangements made by, or under the authority or direction of, the Secretary of State under section 2 of the Employment and Training Act 1973 or pursuant to any arrangements made by the Department of Economic Development under section 3 of the Employment and Training Act (Northern Ireland) 1950 of–

(a) training or retraining for any trade, profession or employment, or

(b) any goods or services essential to such training or retraining, in respect of which payment is made by, or under the authority or direction of, the Secretary of State or by the Department of Economic Development, as the case may be.**]**

Textual Amendments

F298 Item 7 added by S.I. 1988/1282, **art. 2**

Notes:

(1) "Education" includes training in any form of art **[**[F299]but excludes—

(a) courses in English as a foreign language which are provided for payment which exceeds the full cost of providing the courses; and

(b) holiday courses of an essentially recreational or sporting nature.**]**

(2) "School" in items 1, 2 and 3 means an institution which, within the meaning of the Education Acts 1944 to 1981, the [M57]Education (Scotland) Act 1980 or the Education and Libraries (Northern Ireland) Orders 1972, 1976 and 1980, provides primary or secondary education or both, and which—

(a) either is provisionally or finally registered or deemed to be registered as a school within the meaning of the aforesaid legislation, in a register of independent schools or is a school in respect of which grants are made by the Secretary of State to the proprietor or managers; or

(b) is a voluntary school within the meaning of the [M58]Education Act 1944 or the Education and Libraries (Northern Ireland) Orders 1972, 1976 and 1980.

(3) "University" means a United Kingdom university and includes any college, institution, school or hall of such a university.

[[F300](3A) For the purposes of item 1 above "eligible institution" means—

(a) an institution to which section 132(6) of the Education Reform Act 1988 applies;

(b) an institution to which section 77(5) of the Education (Scotland) Act 1980 applies;

(c) an institution to which grants are paid by the Department of Education for Northern Ireland under article 66(2) of the Education and Libraries (Northern Ireland) Order 1986;

(d) the Cambridge Institute of Education, the Royal College of Art and the Cranfield Institute of Technology.**]**

(4) Paragraph (a) of item 2 does not include recreational or sporting activities except where they are provided as part of a general educational curriculum.

[[F301](5) Item 4 applies only where:-

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(a) Supplies described in that item are made to the persons receiving education, training or re-training comprised in items 1 and 2 (hereinafter referred to as students) by the same person who provides them with that education, training or re-training; or

(b) Supplies described in that item are made to a person providing education, training or re-training comprised in items 1 or 2 (hereinafter referred to as the recipient), by another person providing such education, training or re-training and such supplies to his own students, and are directly used by the students of the recipient.**]**

(6) Item 5 applies only where the instruction described in that item is provided to persons receiving education comprised in items 1 and 2 by the same person who provides them with that education.

Textual Amendments

F299 Words added by S.I. 1989/267, **art. 2(b)**
F300 Note (3A) inserted by S.I. 1989/267, **art. 2(c)**
F301 Note (5) substituted by S.I. 1987/1259, **art. 2**

Marginal Citations

M57 1980 c. 44.
M58 1944 c. 31.

Textual Amendments

F299 Words added by S.I. 1989/267, **art. 2(b)**
F300 Note (3A) inserted by S.I. 1989/267, **art. 2(c)**
F301 Note (5) substituted by S.I. 1987/1259, **art. 2**

Marginal Citations

M57 1980 c. 44.
M58 1944 c. 31.

GROUP 7—HEALTH [F302 AND WELFARE]

Textual Amendments

F302 Words added by S.I. 1985/1900, **art. 2(a)**

Item No.

[F303 1 The supply of services by a person registered or enrolled in any of the following—

(a) the register of medical practitioners or the register of medical practitioners with limited registration;

(b) either of the registers of ophthalmic opticians or the register of dispensing opticians kept under the **[**F304 Opticians Act 1989**]** or either of the lists kept

under **[**[F304]section 9**]**of that Act of bodies corporate carrying on business as ophthalmic opticians or as dispensing opticians;

(c) any register kept under the [M59]Professions Supplementary to Medicine Act 1960;

(d) the register of qualified nurses, midwives and health visitors kept under section 10 of the Nurses, Midwives and Health Visitors Act [M60]1979;

(e) the register of dispensers of hearing aids or the register of persons employing such dispensers maintained under section 2 of the Hearing Aid Council Act [M61]1968.**]**

Textual Amendments

F303 Items 1, 2 substituted for items 1, 1A, 2 (item 1A having been inserted by S.I. 1984/1784) by Finance Act 1988 (c. 39, SIF 40:1), **s. 13(2)(4)**

F304 Words substituted by Opticians Act 1989 (c. 44, SIF 83:1), **s. 37(3)**

Marginal Citations

M59 1960 c. 66 (**83:1**).

M60 1979 c. 36 (**83:1**).

M61 1968 c. 50 (**83:1**).

2 The supply of any services or dental prostheses by-

(a) a person registered in the dentists register;

(b) a person enrolled in any roll of dental auxiliaries having effect under section 45 of the Dentists Act [M62]1984; or

(c) a dental technician.

Marginal Citations

M62 1984 c. 24 (**83:1**)

3 The supply of any services by a person registered in the register of pharmaceutical chemists kept under the [M63]Pharmacy Act 1954 or the [M64]Pharmacy (Northern Ireland) Order 1976.

Marginal Citations

M63 1954 c. 61.

M64 1976 S.I. No. 1213 (N.I. 22).

4 The provision of care or medical or surgical treatment and, in connection with it, the supply of any goods, in any hospital or other institution approved, licensed, registered or exempted from registration by any Minister or other authority pursuant to a provision of a public general Act of Parliament or of the Northern Ireland Parliament or of a public general Measure of the Northern Ireland Assembly or

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Order in Council under Schedule 1 to the [M65]Northern Ireland Act 1974, not being a provision which is capable of being brought into effect at different times in relation to different local authority areas.

Marginal Citations

M65 1974 c. 28.

5 The provision of a deputy for a person registered in the register of medical practitioners or the register of medical practitioners with limited registration.

6 Human blood.

7 Products for therapeutic purposes, derived from human blood.

8 Human (including foetal) organs or tissue for diagnostic or therapeutic purposes or medical research.

[[F305]9 The supply, otherwise than for profit, by a charity or public body of welfare services and of goods supplied in connection therewith.**]**

Textual Amendments

F305 Items 9, 10, 11 added by S.I. 1985/1900, **art. 2**(*b*) and S.I. 1989/2272, **art. 3**

10 The supply, otherwise than for profit, of goods and services incidental to the provision of spiritual welfare by a religious community to a resident member of that community in return for a subscription or other consideration paid as a condition of membership.

11 The supply of transport services for sick or injured persons in vehicles specially designed for that purpose.

Notes:

(1) Item 1 does not include the letting on hire of goods except where the letting is in connection with a supply of other services comprised in the item.

(2) **[**[F306]Paragraphs (a) to (d) of item 1 and paragraphs (a) and (b) of item 2 include supplies of services**]**made by a person who is not registered or enrolled in any of the registers or rolls specified in those paragraphs where the services are wholly performed or directly supervised by a person who is so registered or enrolled.

(3) Item 3 does not include the letting on hire of goods.

(4) For the purposes of this Group a person who is not registered in the visiting EEC practitioners list in the register of medical practitioners at the time he performs services in an urgent case as mentioned in subsection (3) of section 18 of the [M66]Medical Act 1983 is to be treated as being registered in that list where he is entitled to be registered in accordance with that section.

[[F307](5) "Public body"means-

(a) a Government department within the meaning of section 27(4) of this Act;

(b) a local authority within the meaning of section 20(6) of this Act;

(c) a body which acts under any enactment or instrument for public purposes and not for its own profit and which performs functions similar to those of a Government department or local authority.

(6) In item 9 "welfare services" means services which are directly connected with—

(a) the provision of care, treatment or instruction designed to promote the physical or mental welfare of elderly, sick, distressed or disabled persons;

(b) the protection of children and young persons; or

(c) the provision of spiritual welfare by a religious institution as part of a course of instruction or a retreat, not being a course or a retreat designed primarily to provide recreation or a holiday.

(7) Item 9 does not include the supply of accommodation or catering except where it is ancillary to the provision of care, treatment or instruction.**]**

Textual Amendments

F306 Words substituted by Finance Act 1988 (c. 39, SIF 40:2), **s. 13(3)(4)**

F307 Notes (5)(6)(7) added by S.I. 1985/1900, **art. 2**(*c*)

Marginal Citations

M66 1983 c. 54.

GROUP 8—BURIAL AND CREMATION

Item No.

1 The disposal of the remains of the dead.

2 The making of arrangements for or in connection with the disposal of the remains of the dead.

GROUP 9—TRADE UNIONS AND PROFESSIONAL BODIES

Item No.

1 The supply to its members of such services and, in connection with those services, of such goods as are both referable only to its aims and available without payment

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other than a membership subscription by any of the following non-profit-making organisations—

(a) a trade union or other organisation of persons having as its main object the negotiation on behalf of its members of the terms and conditions of their employment;

(b) a professional association, membership of which is wholly or mainly restricted to individuals who have or are seeking a qualification appropriate to the practice of the profession concerned;

(c) an association, the primary purpose of which is the advancement of a particular branch of knowledge, or the fostering of professional expertise, connected with the past or present professions or employments of its members;

(d) an association, the primary purpose of which is to make representations to the Government on legislation and other public matters which affect the business or professional interests of its members.

Notes:

(1) Item 1 does not include any right of admission to any premises, event or performance, to which non-members are admitted for a consideration.

(2) "Trade union" has the meaning assigned to it by section 28(1) of the [M67]Trade Union and Labour Relations Act 1974.

(3) Item 1 shall include organisations and associations the membership of which consists wholly or mainly of constituent or affiliated associations which as individual associations would be comprised in the item; and "member" shall be construed as including such an association and "membership subscription" shall include an affiliation fee or similar levy.

(4) Paragraph (c) does not apply unless the association restricts its membership wholly or mainly to individuals whose present or previous professions or employments are directly connected with the purposes of the association.

(5) Paragraph (d) does not apply unless the association restricts its membership wholly or mainly to individuals or corporate bodies whose business or professional interests are directly connected with the purposes of the association.

Marginal Citations

M67 1974 c. 52.

GROUP 10—SPORTS COMPETITIONS

Item No.

1 The grant of a right to enter a competition in sport or physical recreation where the consideration for the grant consists in money which is to be allocated wholly towards the provision of a prize or prizes awarded in that competition.

2 The grant, by a non-profit-making body established for the purposes of sport or physical recreation, of a right to enter a competition in such an activity.

Note:

Item 2 does not include any supply where the consideration consists wholly or partly in a charge which the body ordinarily makes for the use of its facilities or the admission to its premises.

GROUP 11—WORKS OF ART, ETC.

Item No.

1 The disposal of an object with respect to which estate duty is not chargeable by virtue of section 30(3) of the [M68]Finance Act 1953, section 34(1) of the [M69]Finance Act 1956 or the proviso to section 40(2) of the [M70]Finance Act 1930.

Marginal Citations

M68 1953 c. 34.
M69 1956 c. 54.
M70 1930 c. 28.

2 The disposal of an object with respect to which capital transfer tax is not chargeable by virtue of **[**[F308]paragraph 1(3)(*a*) or (4), paragraph 3(4)(*a*), or the words following paragraph 3(4), of Schedule 5 to the Capital Transfer Tax Act [M71]1984**]**.

Textual Amendments

F308 Words substituted by virtue of Capital Transfer Tax Act 1984 (c. 51, SIF 65), **Sch. 8 para. 24** (group 11 being therein referred to as group II)

Marginal Citations

M71 1984 c. 51 (**65**)

3 The disposal of property with respect to which capital transfer tax is not chargeable by virtue of **[**[F309]section 32(4) **[**[F310]or 32A(5) or (7)**]**of the [M72]Capital Transfer Tax Act 1984**]**.

Textual Amendments

F309 Words substituted by virtue of Capital Transfer Tax Act 1984 (c. 51, SIF 65), **Sch. 8 para. 24** (group 11 being therein referred to as group II)

F310 Words inserted in relation to events on or after 19.3.1985 by Finance Act 1985 (c. 54, SIF 18), **Sch. 26 para. 14**

Status: *Point in time view as at 01/02/1991. This version of this Act contains provisions that are not valid for this point in time.*
Changes to legislation: *There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)*

Marginal Citations
M72 1984 c. 51 (**65**)

4 The disposal of an asset in a case in which any gain accruing on that disposal is not a chargeable gain by virtue of section 147(2) of the [M73]Capital Gains Tax Act 1979.

Marginal Citations
M73 1979 c. 14.

[[F311]GROUP 12—FUND-RAISING EVENTS BY CHARITIES AND OTHER QUALIFYING BODIES]

Textual Amendments
F311 Sch. 6 Group 12 added after Group 11 by S.I. 1989/470, **art. 3**

Item No.

1 The supply of goods and services by a charity in connection with a fund-raising event organised for charitable purposes by a charity or jointly by more than one charity.

2 The supply of goods and services by a qualifying body in connection with a fund-raising event organised exclusively for its own benefit.

Notes:

(1) For the purposes of items 1 and 2 "fund-raising event" means a fete, ball, bazaar, gala show, performance or similar event, which is separate from and not forming any part of a series or regular run of like or similar events.

(2) For the purposes of item 2 "qualifying body" means any non-profit making body mentioned in either section 47(3) of this Act or item 1 of Group 9 of Schedule 6 to this Act.

[[F312]SCHEDULE 6A

BUILDINGS AND LAND]

Textual Amendments
F312 Sch. 6A inserted by Finance Act 1989 (c. 26, SIF 40:2), s. 18, **Sch. 3 para. 6(2)**

Status: *Point in time view as at 01/02/1991. This version of this Act contains provisions that are not valid for this point in time.*
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Residential and charitable buildings: change of use etc.

1 (1) In this paragraph "relevant zero-rated supply" means a grant or other supply taking place on or after 1st April 1989 which—

(a) relates to a building intended for use solely for a relevant residential purpose or a relevant charitable purpose or part of such a building; and

(b) is zero-rated, in whole or in part, by virtue of Group 8 of Schedule 5 to this Act.

(2) Sub-paragraph (3) below applies where-

(a) one or more relevant zero-rated supplies relating to a building (or part of a building) have been made to any person;

(b) within the period of ten years beginning with the day on which the building is completed, the person grants an interest in, right over or licence to occupy the building or any part of it (or the building or any part of it including, consisting of or forming part of the part to which the relevant zero-rated supply or supplies related); and

(c) after the grant the whole or any part of the building, or of the part to which the grant relates, (or the whole of the building or of the part to which the grant relates, or any part of it including, consisting of or forming part of the part to which the relevant zero-rated supply or supplies related) is notintended for use solely for a relevant residential purpose or a relevant charitable purpose.

(3) Where this sub-paragraph applies, to the extent that the grant relates to so much of the building as-

(a) by reason of its intended use gave rise to the relevant zero-rated supply or supplies; and

(b) is not intended for use solely for a relevant residential purpose or a relevant charitable purpose after the grant,

it shall be taken to be a taxable supply in the course or furtherance of a business which is not zero-rated by virtue of Group 8 of Schedule 5 to this Act (if it would not otherwise be such a supply).

(4) Sub-paragraph (5) below applies where—

(a) one or more relevant zero-rated supplies relating to a building (or part of a building) have been made to any person; and

(b) within the period of ten years beginning with the day on which the building is completed, the person uses the building or any part of it (or the building or any part of it including, consisting of or forming part of the part to which the relevant zero-rated supply or supplies related) for a purpose which is neither a relevant residential purpose nor a relevant charitable purpose.

(5) Where this sub-paragraph applies, his interest in, right over or licence to occupy so much of the building as-

(a) by reason of its intended use gave rise to the relevant zero-rated supply or supplies; and

(b) is used otherwise than for a relevant residential purpose or a relevant charitable purpose,

shall be treated for the purposes of this Act as supplied to him for the purpose of a business carried on by him and supplied by him in the course or furtherance of the

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business when he first uses it for a purpose which is neither a relevant residential purpose nor a relevant charitable purpose.

(6) Where sub-paragraph (5) above applies—

(a) the supply shall be taken to be a taxable supply which is not zero-rated by virtue of Group 8 of Schedule 5 to this Act (if it would not otherwise be such a supply); and

(b) the value of the supply shall be such that the amount of tax chargeable on it is equal to the amount of the tax which would have been chargeable on the relevant zero-rated supply (or, where there was more than one such supply, the aggregate amount which would have been chargeable on them) had so much of the building as is mentioned in sub-paragraph (5) above not been intended for use solely for a relevant residential purpose or a relevant charitable purpose.

Modifications etc. (not altering text)

C41 Sch. 6A para. 1 excluded by Finance Act 1989 (c. 26, SIF 40:2), s. 18, **Sch. 3 para. 13(5)**

Election to waive exemption

2 (1) Subject to sub-paragraphs (2) and (3) and paragraph 3 below, where an election under this paragraph has effect in relation to any land, if and to the extent that any grant made in relation to it at a time when the election has effect by the person who made the election, or where that person is a body corporate by that person or a relevant associate, would (apart from this sub-paragraph) fall within Group 1 of Schedule 6 to this Act, the grant shall not fall within that Group.

(2) Sub-paragraph (1) above shall not apply in relation to a grant if the grant is made in relation to-

(a) a building or part of a building intended for use as a dwelling or number of dwellings or solely for a relevant residential purpose; or

(b) a building or part of a building intended for use solely for a relevant charitable purpose, other than as an office.

(3) Sub-paragraph (1) above shall not apply in relation to a grant if—

(a) the grant is made to a registered housing association and the association has given to the grantor a certificate stating that the land is to be used (after any necessary demolition work) for the construction of a building or buildings intended for use as a dwelling or number of dwellings or solely for a relevant residential purpose; or

(b) the grant is made to an individual and the land is to be used for the construction, otherwise than in the course or furtherance of a business carried on by him, of a building intended for use by him as a dwelling.

(4) Subject to the following provisions of this paragraph, no input tax on any supply or importation which, apart from this sub-paragraph, would be allowable by virtue of the operation of this paragraph shall be allowed if the supply or importation took place before the first day for which the election in question has effect.

(5) Subject to sub-paragraph (6) below, sub-paragraph (4) above shall not apply where the person by whom the election was made-

(a) has not, before the first day for which the election has effect, made in relation to the land in relation to which the election has effect any grant falling within Group 1 of Schedule 6 to this Act; or

(b) has before that day made in relation to that land a grant or grants so falling but the grant, or all the grants,—

(i) were made in the period beginning with 1st April 1989 and ending with 31st July 1989; and

(ii) would have been taxable supplies but for the amendments made by Schedule 3 to the Finance Act 1989.

(6) Sub-paragraph (5) above does not make allowable any input tax on supplies or importations taking place before 1st August 1989 unless—

(a) it is attributable by or under regulations to grants made by the person on or after 1st April 1989 which would have been taxable supplies but for the amendments made by Schedule 3 to the Finance Act 1989; and

(b) the election has effect from 1st August 1989.

(7) Sub-paragraph (4) above shall not apply in relation to input tax on grants or other supplies which are made in the period beginning with 1st April 1989 and ending with 31st July 1989 if—

(a) they would have been zero-rated by virtue of item 1 or 2 of Group 8 of Schedule 5 to this Act or exempt by virtue of item 1 of Group 1 of Schedule 6 to this Act but for the amendments made by Schedule 3 to the Finance Act 1989; and

(b) the election has effect from 1st August 1989.

3 (1) An election under paragraph 2 above shall have effect—

(a) from the beginning of the day on which the election is made or of any later day specified in the election; or

(b) where the election is made before 1st November 1989, from the beginning of 1st August 1989 or of any later day so specified.

(2) An election under paragraph 2 above shall have effect in relation to any land specified, or of a description specified, in the election.

(3) Where such an election is made in relation to, or to part of, a building (or planned building), it shall have effect in relation to the whole of the building and all the land within its curtilage; and for the purposes of this sub-paragraph buildings linked internally or by a covered walkway, and parades, precincts and complexes divided into separate units, shall be taken to be a single building (if they otherwise would not be).

(4) Where such an election is made in relation to agricultural land (including a building on agricultural land), it shall have effect in relation to any other agricultural land if that other land is not separated from it by-

(a) land which is not agricultural land; or

(b) agricultural land in separate ownership.

(5) For the purposes of sub-paragraph (4) above—

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(a) land shall be taken not to be separated from other land if it is separated from it only by a road, railway, river or something similar; and

(b) land is in separate ownership from land in relation to which an election is made if the person by whom the election is made has no interest in, right over or licence to occupy it and, where that person is a body corporate, no relevant associate has any such interest, right or licence.

(6) An election under paragraph 2 above shall be irrevocable and, except where it is an election of a description specified in a notice published by the Commissioners, shall not have effect unless written notification of it is given to the Commissioners together with such information as the Commissioners may require.

(7) Except where the Commissioners otherwise allow, a notification required under sub-paragraph (6) above shall be given not later than the end of the period of thirty days beginning with the day on which the election is made.

(8) In paragraph 2 above and this paragraph "relevant associate", in relation to a body corporate by which an election under paragraph 2 above has been made in relation to any building or land, means a body corporate which under section 29 of this Act-

(a) was treated as a member of the same group as the body corporate by which the election was made at the time when the election first had effect;

(b) has been so treated at any later time when the body corporate by which the election was made had an interest in, right over or licence to occupy the building or land (or any part of it); or

(c) has been treated as a member of the same group as a body corporate within paragraph (a) or (b) above or this paragraph at a time when that body corporate had an interest in, right over or licence to occupy the building or land (or any part of it).

(9) In paragraph 2 above "registered housing association" means a registered housing association within the meaning of the Housing Associations Act 1985 or Part VII of the Housing (Northern Ireland) Order 1981.

4 (1) This paragraph has effect where rent is payable in consideration of the grant of an interest in, right over, or licence to occupy any building or land to which an election under paragraph 2 above relates (or any part of any such building or land).

(2) If—

(a) the rent relates to a period beginning before and ending on or after the first day for which the election has effect; and

(b) the grant for which the rent is consideration would, apart from this sub-paragraph, take place before that day,

the grant shall be treated as taking place on that day to the extent that it is made for rent relating to the part of the period falling on or after that day.

(3) If-

(a) the rent relates to a period beginning on or after the first day for which the election has effect; and

(b) the grant for which the rent is consideration would, apart from this sub-paragraph, take place before that day,

the grant shall be treated as taking place on the first day of the period to which the rent relates.

(4) If—

(a) the rent relates to a period beginning before the first day for which the election has effect; and

(b) the grant for which the rent is consideration takes place on or after that day,

tax shall not be chargeable on the grant by virtue of paragraph 2 above to the extent that it is made for rent relating to any time before that day.

(5) Where the rent is payable by a person in relation to a period when he is in occupation of a building completed before 1st August 1989 (or part of such a building) or land of which he was in occupation immediately before that date, any tax which would be chargeable by virtue of paragraph 2 above on the grant for which the rent is consideration-

(a) except in the case of a charity, shall be chargeable as if the consideration were reduced by 50 per cent. if and to the extent that the rent relates to or to any part of the year beginning on 1st August 1989 and ending on 31st July 1990; and

(b) in the case of a charity-

(i) shall be chargeable as if the consideration were reduced by 80 per cent. if and to the extent that the rent relates to or to any part of the year beginning on 1st August 1989 and ending on 31st July 1990;

(ii) shall be chargeable as if the consideration were reduced by 60 per cent. if and to the extent that the rent relates to or to any part of the year beginning on 1st August 1990 and ending on 31st July 1991;

(iii) shall be chargeable as if the consideration were reduced by 40 per cent. if and to the extent that the rent relates to or to any part of the year beginning on 1st August 1991 and ending on 31st July 1992; and

(iv) shall be chargeable as if the consideration were reduced by 20 per cent. if and to the extent that the rent relates to or to any part of the year beginning on 1st August 1992 and ending on 31st July 1993.

Developers of certain non-residential buildings etc.

5 (1) Paragraph 6 below shall apply on the first occasion during the period beginning with the day when the construction of a building or work within sub-paragraph (2) below is first planned and ending ten years after the completion of the building or work on which a person who is a developer in relation to the building or work-

(a) grants an interest in, right over or licence to occupy the building or work (or any part of it) which is an exempt supply; or

(b) is in occupation of the building, or uses the work, (or any part of it) when not a fully taxable person (or, if a person treated under section 29 of this Act as a member of a group, when the representative member is not a fully taxable person).

(2) Subject to sub-paragraph (3) below, the buildings and works within this sub-paragraph are-

(a) any building neither designed as a dwelling or number of dwellings nor intended for use solely for a relevant residential purpose or a relevant charitable purpose; and

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(b) any civil engineering work, other than a work necessary for the development of a permanent park for residential caravans.

(3) A building or work is not within sub-paragraph (2) above if-

(a) construction of it was commenced before 1st August 1989; or

(b) a grant of the fee simple in it which falls within paragraph (a)(ii) or (iv) of item 1 of Group 1 of Schedule 6 to this Act has been made before the occasion concerned.

(4) For the purposes of this paragraph a taxable person is, in relation to any building or work, a fully taxable person throughout a prescribed accounting period if-

(a) at the end of that period he is entitled to credit for input tax on all supplies to, and importations by, him in the period (apart from any on which input tax is excluded from credit by virtue of section 14(10) of this Act); or

(b) the building or work is not used by him at any time during the period in, or in connection with, making any exempt supplies of goods or services.

(5) Subject to sub-paragraph (6) below, in this paragraph and paragraph 6 below "developer", in relation to a building or work, means any person who-

(a) constructs it;

(b) orders it to be constructed; or

(c) finances its construction,

with a view to granting an interest in, right over or licence to occupy it (or any part of it) or to occupying or using it (or any part of it) for his own purposes.

(6) Where—

(a) a body corporate treated under section 29 of this Act as a member of a group is a developer in relation to a building or work; and

(b) it grants an interest in, right over or licence to occupy the building or work (or any part of it) to another body corporate which is treated under that section as a member of the group,

then, for the purposes of this paragraph and paragraph 6 below, as from the time of the grant any body corporate such as is mentioned in sub-paragraph (7) below shall be treated as also being a developer in relation to the building or work.

(7) The bodies corporate referred to in sub-paragraph (6) above are any which under section 29 of this Act-

(a) was treated as a member of the same group as the body corporate making the grant at the time of the grant;

(b) has been so treated at any later time when the body corporate by which the grant was made had an interest in, right over or licence to occupy the building or work (or any part of it); or

(c) has been treated as a member of the same group as a body corporate within paragraph (a) or (b) above or this paragraph at a time when that body corporate had an interest in, right over or licence to occupy the building or work (or any part of it).

Modifications etc. (not altering text)

C42 Sch. 6A paras. 5, 6 excluded by Finance Act 1989 (c. 26, SIF 40:2), s. 18, **Sch. 3 para. 13(6)**

6 (1) Where this paragraph applies the interest in, right over or licence to occupy the building or work (or any part of it) held by the developer shall be treated for the purposes of this Act as supplied to the developer for the purpose of a business carried on by him and supplied by him in the course or furtherance of the business on the last day of the prescribed accounting period during which it applies or, if later, of the prescribed accounting period during which the building or work becomes substantially ready for occupation or use.

(2) The supply treated as made by sub-paragraph (1) above shall be taken to be a taxable supply and the value of the supply shall be the aggregate of-

(a) the value of grants relating to the land on which the building or work is constructed made or to be made to the developer, other than any grants to be made for consideration in the form of rent the value of which cannot be ascertained by the developer when the supply is treated as made; and

(b) the value of all the taxable supplies of goods and services, other than any that are zero-rated, made or to be made for or in connection with the construction of the building or work.

(3) Where the value of a supply which, apart from this sub-paragraph, would be treated as made by sub-paragraph (1) above would be less than £100,000, no supply shall be treated as made by that sub-paragraph.

Modifications etc. (not altering text)

C43 Sch. 6A paras. 5, 6 excluded by Finance Act 1989 (c. 26, SIF 40:2), s. 18, **Sch. 3 para. 13(6)**

General

7 (1) Where the benefit of the consideration for the grant of an interest in, right over or licence to occupy land accrues to a person but that person is not the person making the grant-

(a) the person to whom the benefit accrues shall for the purposes of this Act be treated as the person making the grant; and

(b) to the extent that any input tax of the person actually making the grant is attributable to the grant it shall be treated as input tax of the person to whom the benefit accrues.

8 The Notes to Group 8 of Schedule 5 to this Act and Group 1 of Schedule 6 to this Act apply in relation to this Schedule as they apply in relation to their respective Groups but subject to any appropriate modifications.

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SCHEDULE 7

Section 38.

ADMINISTRATION, COLLECTION AND ENFORCEMENT

General

1 (1) The tax shall be under the care and management of the Commissioners.

(2) All money and securities for money collected or received for or on account of the tax shall—

(a) if collected or received in Great Britain, be placed to the general account of the Commissioners kept at the Bank of England under section 17 of the [M74]Customs and Excise Management Act 1979;

(b) if collected or received in Northern Ireland, be paid into the Consolidated Fund of the United Kingdom in such manner as the Treasury may direct.

Marginal Citations

M74 1979 c. 2.

Accounting for and payment of tax

2 (1) Regulations under this paragraph may require the keeping of accounts and the making of returns in such form and manner as may be specified in the regulations and may require taxable persons supplying goods or services to other taxable persons to provide them with invoices (to be known as "tax invoices") containing statements of such particulars as may be so specified of the supply, the tax chargeable on it and the persons by and to whom the goods or services are supplied.

(2) The regulations may, where they require a tax invoice to be provided in connection with any description of supply, require it to be provided within a prescribed time after the supply is treated as taking place, and may allow for that time to be extended in accordance with general or special directions given by the Commissioners.

(3) Regulations under this paragraph may make special provision for such taxable supplies by retailers of any goods or of any description of goods or of services or any description of services as may be determined by or under the regulations and, in particular—

(a) for permitting the value which is to be taken as the value of the supplies in any prescribed accounting period or part thereof to be determined, subject to any limitations or restrictions, by such method or one of such methods as may have been described in any notice published by the Commissioners in pursuance of the regulations and not withdrawn by a further notice or as may be agreed with the Commissioners; and

(b) for determining the proportion of the value of the supplies which is to be attributed to any description of supplies; and

(c) for adjusting that value and proportion for periods comprising two or more prescribed accounting periods or parts thereof.

[[F313](3A) Regulations under this paragraph may make provision whereby, in such cases and subject to such conditions as may be determined by or under the regulations, tax in respect of a supply may be accounted for and paid by reference to the time when consideration for the supply is received; and any such regulations may make such modifications of the provisions of this Act (including in particular, but without prejudice to the generality of the power, the provisions as to the time when, and the circumstances in which, credit for input tax is to be allowed) as appear to the Commissioners necessary or expedient.**]**

(4) Regulations under this paragraph may make provision—

(a) for treating tax chargeable in one prescribed accounting period as chargeable in another such period; and

[[F314](b) with respect to the making of entries in accounts for the purpose of making adjustments, whether for the correction of errors or otherwise; and

(c) for the making of financial adjustments in connection with the making of entries in accounts for the purpose mentioned in paragraph (b) above.**]**

(5) Regulations under this paragraph may make different provision for different circumstances and may provide for different dates as the commencement of prescribed accounting periods applicable to different persons.

(6) The provisions made by regulations under this paragraph for cases where goods are treated as supplied by a taxable person by virtue of paragraph 6 of Schedule 2 to this Act may require the tax chargeable on the supply to be accounted for and paid, and particulars thereof to be provided, by such other person and in such manner as may be specified by the regulations.

(7) Where, at the end of a prescribed accounting period, the amount of tax due from any person or the amount due to any person under section 14(5) of this Act would be less than £1 that amount shall be treated as nil.

Textual Amendments

F313 Sch. 7 para. 2(3A) inserted by Finance Act 1987 (c. 16, SIF 40:2), **s. 11(2)**

F314 Sch. 7 para. 2(4)(*b*)(*c*) substituted by Finance Act 1989 (c. 26, SIF 40:2), **s. 25(2)**

Production of tax invoices by computer

3 (1) For the purposes of any provision contained in or having effect under this Act which relates to tax invoices a person shall be treated as issuing, or as providing another person with, a tax invoice if the requisite particulars are recorded in a computer and transmitted by electronic means and without the delivery of any document.

(2) No provision relating to tax invoices shall be treated as complied with by the production by means of a computer of any material other than a document in writing, by delivering any such material so produced or by making any such transmission as is mentioned in sub-paragraph (1) above unless the person producing or delivering the material or making the transmission and, in the case of delivered material or a transmission, the person receiving it—

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(a) has given the Commissioners at least one month's notice in writing that he proposes to produce or deliver such material or make such transmissions or, as the case may be, receive such material or transmissions; and

(b) complies with such requirements as may be specified in regulations or as the Commissioners may from time to time impose in his case.

(3[F315]

Textual Amendments

F315 Sch. 7 para. 3(3)(4) repealed by Finance Act 1985 (c. 54, SIF 40:1), **Sch. 27 Pt. IV**

Power of Commissioners to assess tax due

4 (1) Where a person has failed to make any returns required under this Act or to keep any documents and afford the facilities necessary to verify such returns or where it appears to the Commissioners that such returns are incomplete or incorrect they may assess the amount of tax due from him to the best of their judgment and notify it to him.

[[F316](2) In any case where, for any prescribed accounting period, there has been paid or credited to any person-

(a) as being a repayment or refund of tax, or

(b) as being due to him under section 14(5) of this Act,

an amount which ought not to have been so paid or credited, **[**[F317]or which would not have been so paid or credited had the facts been known or been as they later turn out to be,**]**the Commissioners may assess that amount as being tax due from him for that period and notify it to him accordingly.

(2A) An amount-

(a) which has been paid to any person as being due to him under section 14(5) of this Act; and

(b) which, by reason of the cancellation of that person's registration under paragraph 9 or 10 of Schedule 1 to this Act, ought not to have been so paid,

may be assessed under sub-paragraph (2) above notwithstanding that cancellation.**]**

(3) Where a person is assessed under sub-paragraphs (1) and (2) above in respect of the same prescribed accounting period the assessments may be combined and notified to him as one assessment.

(4) Where the person failing to make a return, or making a return which appears to the Commissioners to be incomplete or incorrect, was required to make the return as a personal representative, trustee in bankruptcy, receiver, liquidator or person otherwise acting in a representative capacity in relation to another person, sub-paragraph (1) above shall apply as if the reference to tax due from him included a reference to tax due from that other person.

(5) An assessment under sub-paragraph **[**[F318](1), (2) or (2A)**]**above of an amount of tax due for any prescribed accounting period shall not be made after the later of the following—

(a) two years after the end of the prescribed accounting period; or

(b) one year after evidence of facts, sufficient in the opinion of the Commissioners to justify the making of the assessment, comes to their knowledge,

but may, where further such evidence comes to their knowledge after the making of such an assessment, be made in addition to that assessment.

(6) Where a taxable person has acquired or imported any goods in the course or furtherance of any business carried on by him the Commissioners may require him from time to time to account for the goods; and if he fails to prove that the goods have been or are available to be supplied by him **[**[F319]or have been exported from the United Kingdom otherwise than by way of supply**]**or have been lost or destroyed they may assess to the best of their judgment and notify to him the amount of tax that would have been chargeable in respect of the supply of the goods if they had been supplied by him.

[[F320](6A) In any case where,—

(a) as a result of a person's failure to make a return for a prescribed accounting period, the Commissioners have made an assessment under sub-paragraph (1) above for that period, and

(b) the tax assessed has been paid but no proper return has been made for the period to which the assessment related, and

(c) as a result of a failure to make a return for a later prescribed accounting period, being a failure by the person referred to in paragraph (*a*) above or a person acting in a representative capacity in relation to him, as mentioned in sub-paragraph (4) above, the Commissioners find it necessary to make another assessment under sub-paragraph (1) above,

then, if the Commissioners think fit, having regard to the failure referred to in paragraph (*a*) above, they may specify in the assessment referred to in paragraph (*c*) above an amount of tax greater than which they would otherwise have considered to be appropriate.**]**

(7)

[F321](9) Where an amount has been assessed and notified to any person under sub-paragraph **[**[F322](1), (2), (2A) or (6)**]**above it shall, subject to the provisions of this Act as to appeals, be deemed to be an amount of tax due from him and may be recovered accordingly, unless, or except to the extent that, the assessment has subsequently been withdrawn or reduced.

(10) For the purposes of this paragraph notification to a personal representative, trustee in bankruptcy, receiver, liquidator or person otherwise acting as aforesaid shall be treated as notification to the person in relation to whom he so acts.

Textual Amendments

F316 Sch. 7 para. 4(2)(2A) substituted for sub-paragraph (2) by Finance Act 1988 (c. 39, SIF 40:2), **s. 15(2)**

F317 Words inserted by Finance Act 1990 (c. 29, SIF 40:2), **s. 15(1)(2)**

F318 Words substituted by Finance Act 1988 (c. 39, SIF 40:2), **s. 15(3)**

F319 Words inserted by Finance Act 1985 (c. 54, SIF 40:2), s. 23, **Sch. 7 para. 1(2)**

F320 Sch. 7 para. 4(6A) inserted by Finance Act 1985 (c. 54, SIF 40:2), s. 23, **Sch. 7 para. 1(3)**

F321 Sch. 7 para. 4(7)(8) superseded and repealed by Finance Act 1985 (c. 54, SIF 40:2), s. 22, **Sch. 27 Pt. IV**

F322 Words substituted by Finance Act 1988 (c. 39, SIF 40:2), **s. 15(4)**

Status: *Point in time view as at 01/02/1991. This version of this Act contains provisions that are not valid for this point in time.*
Changes to legislation: *There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)*

Modifications etc. (not altering text)

C44 Sch. 7 para. 4 restricted by Finance Act 1985 (c. 54, SIF 40:2), **s. 22(1)**(*a*)
C45 Sch. 7 para. 4 amended by Finance Act 1985 (c. 54, SIF 40:2), **s. 22(7)**
C46 Sch. 7 para. 4 modified by S.I. 1987/2015, **reg. 10**.
C47 Sch. 7 para. 4(10) extended by Finance Act 1985 (c. 54, SIF 40:2), **s. 21(8)**

VALID FROM 01/01/1993

[F323 Assessment of tax on acquisitions of certain goods by non-taxable persons]

Textual Amendments

F323 Sch. 7 para. 4A inserted (1.1.1993) by Finance (No. 2) Act 1992 (c. 48), s. 14(2), **Sch. 3 Pt. I para.67**; S.I. 1992/3261, **art. 3**,Sch. (with art. 4)

F324 4A (1) Where a person who has, at a time when he was not a taxable person, acquired in the United Kingdom from another member State any goods subject to a duty of excise or consisting in a new means of transport and—

(a) no notification of that acquisition has been given to the Commissioners by the person who is required to give one by regulations under paragraph 2(2B) above;

(b) the Commissioners are not satisfied that the particulars relating to the acquisition in any notification given to them are accurate and complete; or

(c) there has been a failure to supply the Commissioners with the information necessary to verify the particulars contained in any such notification,

they may assess the amount of tax due on the acquisition to the best of their judgment and notify their assessment to that person.

(2) An assessment under this paragraph must be made within the time limits provided for in section 22 of the Finance Act 1985 (ultimate time limits on assessments) and shall not be made after whichever is the later of the following—

(a) two years after the time when a notification of the acquisition of the goods in question is given to the Commissioners by the person who is required to give one by regulations under paragraph 2(2B) above;

(b) one year after evidence of the facts, sufficient in the opinion of the Commissioners to justify the making of the assessment, comes to their knowledge,

but (subject to that section) where further such evidence comes to the Commissioners' knowledge after the making of an assessment under this paragraph, another assessment may be made under this paragraph, in addition to any earlier assessment.

(3) Where an amount has been assessed and notified to any person under this paragraph, it shall, subject to the provisions of this Act as to appeals, be deemed to be an amount of tax due from him and may be recovered accordingly, unless, or except to the extent that, the assessment has subsequently been withdrawn or reduced.

(4) For the purposes of this paragraph notification to a personal representative, trustee in bankruptcy, receiver, liquidator or person otherwise acting in a representative capacity in relation to the person who made the acquisition in question shall be treated as notification to the person in relation to whom he so acts.

Textual Amendments

F324 Sch. 7 para. 4A inserted (1.1.1993) by Finance (No. 2) Act 1992 (c. 48), s. 14(2), **Sch. 3 Pt. I para.67**; S.I. 1992/3261, **art. 3**,Sch. (with art. 4)

Power to require security and production of evidence

5 (1) The Commissioners may, as a condition of allowing or repaying any input tax to any person, require the production of such documents relating to the tax as may have been supplied to him and may, if they think it necessary for the protection of the revenue, require as a condition of making any payment under section 14(5) of this Act the giving of such security for the amount of the payment as appears to them appropriate.

(2) Where it appears to the Commissioners requisite to do so for the protection of the revenue they may require a taxable person, as a condition of his supplying goods or services under a taxable supply, to give security, or further security, of such amount and in such manner as they may determine, for the payment of any tax which is or may become due from him.

Recovery of tax, etc.

6 (1) Tax due from any person shall be recoverable as a debt due to the Crown.

(2) Where an invoice shows a supply of goods or services as taking place with tax chargeable on it, there shall be recoverable from the person who issued the invoice an amount equal to that which is shown on the invoice as tax or, if the tax is not separately shown, to so much of the total amount shown as payable as is to be taken as representing tax on the supply.

(3) Sub-paragraph (2) above applies whether or not—

(a) the invoice is a tax invoice issued in pursuance of paragraph 2(1) above; or

(b) the supply shown on the invoice actually takes or has taken place, or the amount shown as tax, or any amount of tax, is or was chargeable on the supply; or

(c) the person issuing the invoice is a taxable person;

and any sum recoverable from a person under the sub-paragraph shall, if it is in any case tax, be recoverable as such and shall otherwise be recoverable as a debt due to the Crown.

(4) The Commissioners may by regulations make provision—

(a) in respect of England and Wales and Northern Ireland for authorising distress to be levied on the goods and chattels of any person refusing or neglecting to pay any tax due from him or any amount recoverable as if it were tax

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due from him and for the disposal of any goods or chattels on which distress is levied in pursuance of the regulations **[**[F325]and for the imposition and recovery of costs, charges, expenses and fees in connection with anything done under the regulations**]**; **[**[F326]and

(b) in respect of Scotland for authorising the poinding of the corporeal moveables of any person refusing or neglecting to pay any tax due from him or any amount recoverable as if it were tax due from him and for the disposal of any moveables which are poinded in pursuance of the regulations **[**[F325]and for the imposition and recovery of costs, charges, expenses and fees in connection with anthing done under the regulations**]]**.

[[F326](5) In respect of Scotland, where any tax or any sum recoverable as if it were tax is due and has not been paid, the sheriff, on an application by the Commissioners accompanied by a certificate by the Commissioners-

(a) stating that none of the persons specified in the application has paid the tax or other sum due from him;

(b) stating that payment of the amount due from each such person has been demanded from him; and

(c) specifying the amount due from the unpaid by each such person,

shall grant a summary warrant in a form prescribed by Act of Sederunt authorising the recovery, by any of the diligences mentioned in sub-paragraph (6) below, of the amount remaining due and unpaid.

(6) The diligences referred to in sub-paragraph (5) above are—

(a) a poinding and sale in accordance with Schedule 5 to the Debtors (Scotland) Act 1987;

(b) an earnings arrestment;

(c) an arrestment and action of furthcoming or sale.

(7) Subject to sub-paragraph (8) below and without prejudice to paragraphs 25 to 34 of Schedule 5 to the Debtors (Scotland) Act 1987 (expenses of poinding and sale), the sheriff officer's fees, together with the outlays necessarily incurred by him, in connection with the execution of a summary warrant shall be chargeable against the debtor.

(8) No fee shall be chargeable by the sheriff officer against the debtor for collecting, and accounting to the Commissioners for, sums paid to him by the debtor in respect of the amount owing.

(9) The Commissioners may by regulations make provision for anything which the Commissioners may do under sub-paragraphs (5) to (8) above to be done by an officer of the Commissioners holding such rank as the regulations may specify.**]**

Textual Amendments

F325 Words inserted (E.W.N.I.) by Finance Act 1984 (c. 43, SIF 40:2), **s. 16(1)** (which s. 16 is repealed (S.) by Debtors (Scotland) Act 1987 (c. 18, SIF 45:2), s. 108(3), Sch. 8 (with **Sch. 7 para. 5**))

F326 Words beginning "(5) In respect of Scotland" substituted (S.) for words beginning "and (b)" by Debtors (Scotland) Act 1987 (c. 18, SIF 45:2), s. 74(1), **Sch. 4 para. 4** (with Sch. 7 para. 5)

Modifications etc. (not altering text)

C48 Sch. 7 para. 6(4) extended (E.W.N.I.) by Finance Act 1985 (c. 54, SIF 40:2), **s. 16(1)**

Status: *Point in time view as at 01/02/1991. This version of this Act contains provisions that are not valid for this point in time.*
Changes to legislation: *There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)*

Duty to keep records

7 (1) Every taxable person shall keep such records as the Commissioners may **[**[F327]by regulations**]**require.

[[F328](1A) Regulations under sub-paragraph (1) above may make different provision for different cases and may be framed by reference to such records as may be specified in any notice published by the Commissioners in pursuance of the regulations and not withdrawn by a further notice.**]**

(2) The Commissioners may require any records kept in pursuance of this paragraph to be preserved for such period not exceeding **[**[F329]six**]**years as they may require.

(3) The duty under this paragraph to preserve records may be discharged by the preservation of the information contained therein by such means as the Commissioners may approve; and where that information is so preserved a copy of any document forming part of the records shall, subject to the following provisions of this paragraph, be admissible in evidence in any proceedings, whether civil or criminal, to the same extent as the records themselves.

(4) The Commissioners may, as a condition of approving under sub-paragraph (3) above any means of preserving information contained in any records, impose such reasonable requirements as appear to them necessary for securing that the information will be as readily available to them as if the records themselves had been preserved.

[[F330](5) A statement contained in a document produced by a computer shall not by virtue of sub-paragraph (3) of this paragraph be admissible in evidence-

(a) in civil proceedings in England and Wales, except in accordance with sections 5 and 6 of the Civil Evidence Act [M75]1968;

(b) in criminal proceedings in England and Wales except in accordance with sections 68 to 70 of the Police and Criminal Evidence Act 1984;

(c) in civil proceedings in Scotland, except in accordance with sections 13 and 14 of the Law Reform (Miscellaneous Provisions) (Scotland) Act [M76]1968;

(d) in criminal proceedings in Scotland, except in accordance with the said sections 13 and 14, which shall, for the purposes of this paragraph, apply with the necessary modifications to such proceedings;

(e) in civil proceedings in Northern Ireland, except in accordance with sections 2 and 3 of the Civil Evidence Act (Northern Ireland) [M77]1971; and

(f) in criminal proceedings in Northern Ireland, except in accordance with the said sections 2 and 3, which shall, for the purposes of this paragraph, apply with the necessary modifications to such proceedings.**]**

(6) Notwithstanding the preceding provisions of this paragraph, in criminal proceedings the court may, for special cause, require oral evidence to be given of any matter of which evidence could ordinarily be given by means of a certificate under section 5(4) of the Civil Evidence Act 1968 or **[**[F331]section 13(4) of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1968 or section 2(4) of the Civil Evidence Act (Northern Ireland) 1971**]**.

(7[F332]

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Textual Amendments

F327 Words inserted by Finance Act 1989 (c. 26, SIF 40:2), **s. 25(3)**

F328 Sch. 7 para. 7(1A) inserted by Finance Act 1989 (c. 26, SIF 40:2), **s. 25(4)**

F329 Word substituted by Finance Act 1985 (c. 54, SIF 40:2), s. 23, **Sch. 7 para. 2**

F330 Sch. 7 para. 7(5) substituted by Police and Criminal Evidence Act 1984 (c. 60, SIF 95), s. 119(1), **Sch. 6 para. 41**(*a*)

F331 Words substituted by Police and Criminal Evidence Act 1984 (c. 60, SIF 95), s. 119(1), **Sch. 6 para. 41**(*b*)

F332 Sch. 7 para. 7(7)(8) repealed by Police and Criminal Evidence Act 1984 (c. 60, SIF 95), s. 119(1), **Sch. 7 Pt. III**

Marginal Citations

M75 1968 c. 64 **(47)**

M76 1968 c. 70 **(47)**

M77 1971 c. 36 (N.I.)

Furnishing of information and production of documents

8 (1) The Commissioners may by regulations make provision for requiring taxable persons to notify to the Commissioners such particulars of changes in circumstances relating to those persons or any business carried on by them as appear to the Commissioners required for the purpose of keeping the register kept under this Act up to date.

[[F333](2) Every person who is concerned (in whatever capacity) in the supply of goods or services in the course or furtherance of a business or to whom such a supply is made and every person who is concerned (in whatever capacity) in the importation of goods in the course or furtherance of a business shall-

(a) furnish to the Commissioners, within such time and in such form as they may reasonably require, such information relating to the goods or services or to the supply or importation as the Commissioners may reasonably specify; and

(b) upon demand made by an authorised person, produce or cause to be produced for inspection by that person,-

(i) at the principal place of business of the person upon whom the demand is made or at such other place as the authorised person may reasonably require, and

(ii) at such time as the authorised person may reasonably require,

any documents relating to the goods or services or to the supply or importation.

(3) Where, by virtue of sub-paragraph (2) above, an authorised person has power to require the production of any documents from any such person as is referred to in that sub-paragraph, he shall have the like power to require production of the documents concerned from any other person who appears to the authorised person to be in possession of them; but where any such other person claims a lien on any document produced by him, the production shall be without prejudice to the lien.**]**

(4) For the purposes of this paragraph, the documents relating to the supply of **[**[F334]goods or services or the importation of goods**]**, in the course or furtherance of any business shall be taken to include any profit and loss account and balance sheet relating to that business.

[[F335](4A) An authorised person may take copies of, or make extracts from, any document produced under sub-paragraph (2) or sub- paragraph (3) above.

(4B) If it appears to him to be necessary to do so, an authorised person may, at a reasonable time and for a reasonable period, remove any document produced under sub-paragraph (2) or sub-paragraph (3) above and shall, on request, provide a receipt for any document so removed; and where a lien is claimed on a document produced under sub-paragraph (3) above, the removal of the document under this sub-paragraph shall not be regarded as breaking the lien.

(4C) Where a document removed by an authorised person under sub-paragraph (4B) above is reasonably required for the proper conduct of a business he shall, as soon as practicable, provide a copy of the document, free of charge, to the person by whom it was produced or caused to be produced.**]**

(5) Where any documents removed under the powers conferred by this paragraph are lost or damaged the Commissioners shall be liable to compensate their owner for any expenses reasonably incurred by him in replacing or repairing the documents.

Textual Amendments

F333 Sch. 7 para. 8(2)(3) substituted by Finance Act 1985 (c. 54, SIF 40:2), s. 23, **Sch. 7 para. 3(1)**

F334 Words substituted by Finance Act 1985 (c. 54, SIF 40:2), s. 23, **Sch. 7 para. 3(2)**

F335 Sch. 7 para. 8(4A)-(4C) inserted by Finance Act 1985 (c. 54, SIF 40:2), s. 23, **Sch. 7 para. 3(3)**

Power to take samples

9 (1) An authorised person, if it appears to him necessary for the protection of the revenue against mistake or fraud, may at any time take, from the goods in the possession of any person who supplies goods, such samples as the authorised person may require with a view to determining how the goods or the materials of which they are made ought to be or to have been treated for the purposes of tax.

(2) Any sample taken under this paragraph shall be disposed of and accounted for in such manner as the Commissioners may direct.

(3) Where a sample is taken under this paragraph from the goods in any person's possession and is not returned to him within a reasonable time and in good condition the Commissioners shall pay him by way of compensation a sum equal to the cost of the sample to him or such larger sum as they may determine.

[**[F336] *Power to require opening of gaming machines]**

Textual Amendments

F336 Sch. 7 para. 9A inserted by Finance Act 1985 (c. 54, SIF 40:2), s. 23, **Sch. 7 para. 4**

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Changes to legislation: *There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994). (See end of Document for details)*

9A An authorised person may at any reasonable time require a person making such a supply as is referred to in subsection (1) of section 13 of this Act or any person acting on his behalf-

(a) to open any gaming machine, within the meaning of that section; and

(b) to carry out any other operation which may be necessary to enable the authorised person to ascertain the amount which, in accordance with subsection (2) of that section, is to be taken as the value of supplies made in the circumstances mentioned in subsection (1) of that section in any period.

Entry and search of premises and persons

10 (1) For the purpose of exercising any powers under this Act an authorised person may at any reasonable time enter premises used in connection with the carrying on of a business.

(2) Where an authorised person has reasonable cause to believe that any premises are used in connection with the supply of goods under taxable supplies and that goods to be so supplied are on those premises, he may at any reasonable time enter and inspect those premises and inspect any goods found on them.

(3) If a justice of the peace or in Scotland a justice (within the meaning of section 462 of the [M78]Criminal Procedure (Scotland) Act 1975) is satisfied on information on oath that there is reasonable ground for suspecting that **[**[F337]a fraud offence which appears to be of a serious nature**]**is being, has been or is about to be committed on any premises or that evidence of the commission of such an offence is to be found there, he may issue a warrant in writing authorising **[**[F338]subject to sub-paragraphs (5) and (6) below**]**any authorised person to enter those premises, if necessary by force, at any time within **[**[F339]one month**]**from the time of the issue of the warrant and search them; and any person who enters the premises under the authority of the warrant may—

(a) take with him such other persons as appear to him to be necessary;

(b) seize and remove any documents or other things whatsoever found on the premises which he has reasonable cause to believe may be required as evidence for the purposes of proceedings in respect of **[**[F340]a fraud offence which appears to him to be of a serious nature**]**; and

(c) search or cause to be searched any person found on the premises whom he has reasonable cause to believe [F341]to be in possession of any such documents or other things;

but no woman or girl shall be searched except by a woman.

[[F342](4) In sub-paragraph (3) above "a fraud offence" means an offence under any provision of subsections (1) to (3) of section 39 of this Act.

(5) The powers conferred by a warrant under this paragraph shall not be exercisable-

(a) by more than such number of authorised persons as may be specified in the warrant; nor

(b) outside such times of day as may be so specified; nor

(c) if the warrant so provides, otherwise than in the presence of a constable in uniform.

(6) An authorised person seeking to exercise the powers conferred by a warrant under this paragraph or, if there is more than one such authorised person, that one of them who is in charge of the search shall provide a copy of the warrant endorsed with his name as follows:-

(a) if the occupier of the premises concerned is present at the time the search is to begin, the copy shall be supplied to the occupier;

(b) if at that time the occupier is not present but a person who appears to the authorised person to be in charge of the premises is present, the copy shall be supplied to that person; and

(c) if neither paragraph (*a*) nor paragraph (*b*) above applies, the copy shall be left in a prominent place on the premises.**]**

Textual Amendments

F337 Words substituted by Finance Act 1985 (c.54, SIF 40:2), s. 23, **Sch. 7 para. 5(1)**(*a*)

F338 Words inserted by Finance Act 1985 (c. 54, SIF 40:2), s. 23, **Sch. 7 para. 5(1)**(*b*)

F339 Words substituted by Police and Criminal Evidence Act 1984 (c. 60, SIF 95), s. 119(1), **Sch. 6 para. 41**(*c*)

F340 Words substituted by Finance Act 1985 (c. 54, SIF 40:2), s. 23, **Sch. 7 para. 5(1)**(*c*)

F341 Words repealed by Finance Act 1985 (c. 54, SIF 40:2), ss. 23, 98, **Sch. 7 para. 5(1)**(*d*), Sch. 27 Pt. IV

F342 Sch. 7 para. 10(4)-(6) added by Finance Act 1985 (c. 54, SIF 40:2), s. 23, **Sch. 7 para. 5(2)**

Marginal Citations

M78 1975 c. 21.

[F343 Order for access to recorded information, etc.]

Textual Amendments

F343 Sch. 7 para. 10A-10C inserted by Finance Act 1985 (c. 54, SIF 40:2), s. 23, **Sch. 7 para. 6**

10A (1) Where, on an application by an authorised person, a justice of the peace or, in Scotland, a justice (within the meaning of section 462 of the Criminal Procedure (Scotland) Act [M79]1975) is satisfied that there are reasonable grounds for believing-

(a) that an offence in connection with the tax is being, has been or is about to be committed, and

(b) that any recorded information (including any document of any nature whatsoever) which may be required as evidence for the purpose of any proceedings in respect of such an offence is in the possession of any person,

he may make an order under this paragraph.

(2) An order under this paragraph is an order that the person who appears to the justice to be in possession of the recorded information to which the application relates shall-

(a) give an authorised person access to it, and

(b) permit an authorised person to remove and take away any of it which he reasonably considers necessary,

not later than the end of the period of seven days beginning on the date of the order or the end of such longer period as the order may specify.

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(3) The reference in sub-paragraph (2)(*a*) above to giving an authorised person access to the recorded information to which the application relates includes a reference to permitting the authorised person to take copies of it or to make extracts from it.

(4) Where the recorded information consists of information contained in a computer, an order under this paragraph shall have effect as an order to produce the information in a form in which it is visible and legible and, if the authorised person wishes to remove it, in a form in which it can be removed.

(5) This paragraph is without prejudice to paragraphs 8 and 10 above.

Marginal Citations
M79 1975 c. 21 (**39:1**39:1)

Procedure where documents etc. are removed

10B (1) An authorised person who removes anything in the exercise of a power conferred by or under paragraph 10 or 10A above shall, if so requested by a person showing himself-

(a) to be the occupier of premises from which it was removed, or

(b) to have had custody or control of it immediately before the removal,

provide that person with a record of what he removed.

(2) The authorised person shall provide the record within a reasonable time from the making of the request for it.

(3) Subject to sub-paragraph (7) below, if a request for permission to be granted access to anything which-

(a) has been removed by an authorised person, and

(b) is retained by the Commissioners for the purpose of investigating an offence,

is made to the officer in overall charge of the investigation by a person who had custody or control of the thing immediately before it was so removed or by someone acting on behalf of such a person, the officer shall allow the person who made the request access to it under the supervision of an authorised person.

(4) Subject to sub-paragraph (7) below, if a request for a photograph or copy of any such thing is made to the officer in overall charge of the investigation by a person who had custody or control of the thing immediately before it was so removed, or by someone acting on behalf of such a person, the officer shall-

(a) allow the person who made the request access to it under the supervision of an authorised person for the purpose of photographing it or copying it; or

(b) photograph or copy it, or cause it to be photographed or copied.

(5) Where anything is photographed or copied under sub-paragraph (4)(*b*) above the photograph or copy shall be supplied to the person who made the request.

(6) The photograph or copy shall be supplied within reasonable time from the making of the request.

(7) There is no duty under this paragraph to grant access to, or to supply a photograph or copy of, anything if the officer in overall charge of the investigation for the purposes of which it was removed has reasonable grounds for believing that to do so would prejudice—

(a) that investigation;

(b) the investigation of an offence other than the offence for the purposes of the investigation of which the thing was removed; or

(c) any criminal proceedings which may be brought as a result of-

(i) the investigation of which he is in charge, or

(ii) any such investigation as is mentioned in paragraph (*b*) above.

(8) Any reference in this paragraph to the officer in overall charge of the investigation is a reference to the person whose name and address are endorsed on the warrant or order concerned as being the officer so in charge.

10C (1) Where, on an application made as mentioned in sub-paragraph (2) below, the appropriate judicial authority is satisfied that a person has failed to comply with a requirement imposed by paragraph 10B above, the authority may order that person to comply with the requirement within such time and in such manner as may be specified in the order.

(2) An application under sub-paragraph (1) above shall be made—

(a) in the case of a failure to comply with any of the requirements imposed by sub-paragraphs (1) and (2) of paragraph 10B above, by the occupier of the premises from which the thing in question was removed or by the person who had custody or control of it immediately before it was so removed, and

(b) in any other case, by the person who had such custody or control.

(3) In this paragraph "the appropriate judicial authority" means—

(a) in England and Wales, a magistrates' court;

(b) in Scotland, the sheriff; and

(c) in Northern Ireland, a court of summary jurisdiction, as defined in Article 2(2)(*a*) of the Magistrates' Courts (Northern Ireland) Order 1981.

(4) In England and Wales and Northern Ireland, an application for an order under this paragraph shall be made by way of complaint; and sections 21 and 42(2) of the Interpretation Act (Northern Ireland) 1954 shall apply as if any reference in those provisions to any enactment included a reference to this paragraph.

Evidence by certificate, etc.

11 (1) A certificate of the Commissioners—

(a) that a person was or was not, at any date, registered under this Act; or

(b) that any return required by or under this Act has not been made or had not been made at any date; or

(c) that any tax shown as due in any return or assessment made in pursuance of this Act has not been paid;

shall be sufficient evidence of that fact until the contrary is proved.

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(2) A photograph of any document furnished to the Commissioners for the purposes of this Act and certified by them to be such a photograph shall be admissible in any proceedings, whether civil or criminal, to the same extent as the document itself.

(3) Any document purporting to be a certificate under sub-paragraph (1) or (2) above shall be deemed to be such a certificate until the contrary is proved.

Priority of tax in bankruptcy, winding up, etc.

[[F344]12(1) There shall be included among the debts which—

(a) under section 33 of the [M80]Bankruptcy Act 1914 are to be paid in priority to all other debts in the distribution of the property of a bankrupt or person dying insolvent; or

(b) under section 118 of the [M81]Bankruptcy (Scotland) Act 1913 are to be paid in priority to all other debts in the division of a bankrupt's estate; [F345]

(c)

[F345]the amount of any tax due at the relevant date from the bankrupt, debtor, person dying or company and having become due within the 12 months next before that date.

(2) In this paragraph "the relevant date"—

(a) in relation to section 33 of the Act of 1914, means the date of the receiving order or of the death, as the case may be;

(b) in relation to section 118 of the Act of 1913, means the date mentioned in subsection (4) of that section;

(c) in relation to section 319 of the Act of 1948, has the meaning assigned to it by that section, and in relation to section 94 of the Act of 1948, means the date of the appointment of the receiver or taking of possession.

(3) For the purposes of sub-paragraph (1) above, the tax having become due within the 12 months mentioned in that sub-paragraph in respect of any prescribed accounting period falling partly within and partly outside those 12 months shall be taken to be such part of the tax due for the whole of that accounting period as is proportionate to that part of that period falling within those 12 months.

(4) In this paragraph the reference to tax due at the relevant date is a reference to tax which is then unpaid (whether payable before or after that date); and references to tax which has become due within the 12 months next before that date are references to tax (whether payable before or after that date) which is attributable to any prescribed accounting period falling—

(a) wholly within those 12 months; or

(b) subject to apportionment in accordance with sub-paragraph (3) above, partly within and partly outside those 12 months,

including such tax assessed (whether before or after that date) under paragraph 4 above.**]**

Textual Amendments

F344 Sch. 7 para. 12 repealed (E.W.S.) by Insolvency Act 1985 (c. 65, SIF 66), s. 235, Sch. 9 para. 11(2), **Sch. 10 Pt. IV**, and (S.) by Bankruptcy (Scotland) Act 1985 (c. 66, SIF 66), s. 75(2), **Sch. 8**

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F345 Word "or" at the end of sub-paragraph (*b*) and sub-paragraph (*c*) repealed by Companies Consolidation (Consequential Provisions) Act 1985 (c. 9, SIF 27), s. 29, **Sch. 1**

Marginal Citations

M80 1914 c. 59.

M81 1913 c. 20.

SCHEDULE 8

Section 40.

CONSTITUTION AND PROCEDURE OF VALUE ADDED TAX TRIBUNALS

Establishment of value added tax tribunals

1 There shall continue to be value added tax tribunals for England and Wales, Scotland and Northern Ireland respectively.

The President

2 (1) There shall continue to be a President of Value Added Tax Tribunals, who shall perform the functions conferred on him by the following provisions of this Schedule in relation to value added tax tribunals in any part of the United Kingdom.

(2) The President shall be appointed by the Lord Chancellor **[**[F346]after consultation with the Lord Advocate**]**and shall be

[[F347](a) a person who has a 10 year general qualification, within the meaning of section 71 of the Courts and Legal Services Act 1990;

(b) an advocate or solicitor in Scotland of at least 10 years' standing; or

(c) a member of the Bar of Northern Ireland or solicitor of the Supreme Court of Northern Ireland of at least 10 years' standing.**]**

[[F348](3) Subject to paragraph 3 below, the appointment of the President shall be for such term and subject to such conditions as may be determined by the Lord Chancellor, after consultation with the Lord Advocate, and a person who ceases to hold the office of President shall be eligible for re-appointment thereto.**]**

Textual Amendments

F346 Words inserted by Finance Act 1985 (c. 54, SIF 40:2), s. 30, **Sch. 8 para. 2(1)**

F347 Words substituted by Courts and Legal Services Act 1990 (c. 41, SIF 37), s. 71(2), **Sch. 10 para. 52(1)**

F348 Sch. 8 para. 2(3) inserted (with saving) by Finance Act 1985 (c. 54, SIF 40:2), s. 30, **Sch. 8 para. 2(2)**

3 (1) The President may resign his office at any time and shall vacate his office

[[F349](a)**]** at the end of the completed year of service in which he attains the age of seventy-two **[**[F350]or

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(b) if sub-paragraph (1A) below applies, on the date on which he attains the age of seventy-five**]**.

[[F351](1A) If the Lord Chancellor, after consultation with the Lord Advocate, considers it desirable in the public interest to do so, he may authorise the President to continue in office after the end of the completed year of service mentioned in sub-paragraph (1)(*a*) above.**]**

(2) The Lord Chancellor may, if he thinks fit **[**[F352]and after consultation with the Lord Advocate**]**, remove the President from office on the ground of incapacity or misbehaviour.

(3) The functions of the President may, if he is for any reason unable to act or his office is vacant, be discharged by a person nominated for the purpose by the Lord Chancellor **[**[F353]after consultation with the Lord Advocate**]**.

(4) There shall be paid to the President such salary or fees and there may be paid to or in respect of a former President such pension, allowance or gratuity as **[**[F354]the Lord Chancellor may with the approval of the Treasury**]**determine.

(5) If a person ceases to be President of Value Added Tax Tribunals and it appears to **[**[F355]the Lord Chancellor**]**that there are special circumstances which make it right that he should receive compensation, there may be paid to that person a sum of such amount as **[**[F355]the Lord Chancellor may with the approval of the Treasury**]**determine.

Textual Amendments

F349 "(a)" inserted (with saving) by Finance Act 1985 (c. 54, SIF 40:2), s. 30, **Sch. 8 para. 3(1)**
F350 "or" and para. 3(1)(*b*) added (with saving) by Finance Act 1985 (c. 54, SIF 40:2), s. 30, **Sch. 8 para. 3(1)**
F351 Sch. 8 para. 3(1A) inserted (with saving) by Finance Act 1985 (c. 54, SIF 40:2), s. 30, **Sch. 8 para. 3(2)**
F352 Words inserted (with saving) by Finance Act 1985 (c. 54, SIF 40:2), s. 30, **Sch. 8 para. 3(3)**
F353 Words added (with saving) by Finance Act 1985 (c. 54, SIF 40:2), s. 30, **Sch. 8 para. 3(4)**
F354 Words substituted (with saving) by Finance Act 1985 (c. 54, SIF 40:2), s. 30, **Sch. 8 para. 3(5)**
F355 Words substituted (with saving) by Finance Act 1985 (c. 54, SIF 40:2), s. 30, **Sch. 8 para. 3(6)**

Sittings of tribunals

4 Such number of value added tax tribunals shall be established as **[**[F356]the Lord Chancellor or, in relation to Scotland, the Secretary of State**]**may from time to time [F357]determine, and they shall sit at such times and at such places as **[**[F358]the Lord Chancellor or, as the case may be, the Secretary of State**]**may from time to time determine.

Textual Amendments

F356 Words substituted (with saving) by Finance Act 1985 (c. 54, SIF 40:2), s. 30, **Sch. 8 para. 4**(*a*)
F357 Words repealed (with saving) by Finance Act 1985 (c. 54, SIF 40:2), s. 30, **Sch. 8 para. 4**(*b*), Sch. 27 Pt. IV Note 2
F358 Words substituted (with saving) by Finance Act 1985 (c. 54, SIF 40:2), s. 30, **Sch. 8 para. 4**(*c*)

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Composition of tribunals

5 (1) A value added tax tribunal shall consist of a chairman sitting either with two other members or with one other member or alone.

(2) If the tribunal does not consist of the chairman sitting alone its decisions may be taken by a majority of votes and the chairman, if sitting with one other member, shall have a casting vote.

Membership of tribunals

6 For each sitting of a value added tax tribunal the chairman shall be either the President or, if so authorised by the President, a member of the appropriate panel of chairmen constituted in accordance with paragraph 7 of this Schedule; and any other member of the tribunal shall be a person selected from the appropriate panel of other members so constituted, the selection being made either by the President or by a member of the panel of chairmen, authorised by the President to make it.

7 (1) There shall be a panel of chairmen and a panel of other members of value added tax tribunals for England and Wales, Scotland and Northern Ireland respectively.

(2) One member of each panel of chairmen shall be known as Vice-President of Value Added Tax Tribunals.

(3) Appointments to a panel of chairmen shall be made **[**[F359]by the appropriate authority, that is to say**]**—

(a) for England and Wales, [F360]the Lord Chancellor;

(b) for Scotland, [F360]the Lord President of the Court of Session; and

(c) for Northern Ireland, [F360]the Lord Chief Justice of Northern Ireland;

and appointments to a panel of other members shall be made by the Treasury.

[[F361](3A) No person may be appointed to a panel of chairmen of tribunals for England and Wales or Northern Ireland unless he is

[[F362](a) a person who has a 7 year general qualification, within the meaning of section 71 of the Courts and Legal Services Act 1990; or

(b) a member of the Bar of Northern Ireland or solicitor of the Supreme Court of Northern Ireland of at least 7 years' standing**]**

and no person may be appointed to a panel of chairmen of tribunals for Scotland unless he is an advocate or solicitor of not less than seven years' standing.

(3B) Subject to the following provisions of this paragraph, theappointment of a chairman of value added tax tribunals shall be for such term and subject to such conditions as may be determined by the appropriate authority, and a person who ceases to hold the office of chairman shall be eligible for re-appointment thereto.

(3C) A chairman of value added tax tribunals may resign his office at any time and shall vacate his office-

(a) at the end of the completed year of service in which he attains the age of seventy-two; or

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(b) if sub-paragraph (3D) below applies in his case, on the date on which he attains the age of seventy-five.

(3D) If the appropriate authority considers it desirable in the public interest to do so, he may authorise a chairman of value added tax tribunals to continue in office after the end of the completed year of service mentioned in sub-paragraph (3C)(*a*) above.

(3E) The appropriate authority may, if he thinks fit, remove a chairman of value added tax tribunals from office on the ground of incapacity or misbehaviour.**]**

(4) There shall be paid to a chairman of value added tax tribunals such salary or fees, and to other members such fees, as **[**[F363]the Lord Chancellor may with the approval of the Treasury**]**determine; and there may be paid to or in respect of a former chairman of value added tax tribunals such pension, allowance or gratuity as **[**[F363]the Lord Chancellor may with the approval of the Treasury**]**determine.

(5) If a person ceases to be a chairman of value added tax tribunals and it appears to **[**[F364]the Lord Chancellor**]**that there are special circumstances which make it right that he should receive compensation, there may be paid to that person a sum of such amount as **[**[F364]the Lord Chancellor may with the approval of the Treasury**]**determine.

Textual Amendments

F359 Words inserted (with saving) by Finance Act 1985 (c. 54, SIF 40:2), s. 30, **Sch. 8 para. 5(1)**

F360 Word repealed (with saving) by Finance Act 1985 (c. 54, SIF 40:2), s. 30, Sch. 8 para. 5(1), **Sch. 27 Pt. IV** Note 2

F361 Sch. 8 para. 7(3A)-(3E) inserted (with saving) after sub-paragraph (3) by Finance Act 1985 (c. 54, SIF 40:2), s. 30, **Sch. 8 para. 5(2)**

F362 Words substituted by Courts and Legal Services Act 1990 (c. 41, SIF 37), s. 71(2), **Sch. 10 para. 52(2)**

F363 Words substituted (with saving) by Finance Act 1985 (c. 54, SIF 40:2), s. 30, **Sch. 8 para. 5(3)**

F364 Words substituted (with saving) by Finance Act 1985 (c. 54, SIF 40:2), s. 30, **Sch. 8 para. 5(4)**

Exemption from jury service

8 No member of a value added tax tribunal shall be compelled to serve on any jury in Scotland or Northern Ireland.

Rules of procedure

9 The Commissioners may make rules with respect to the procedure to be followed on appeals to **[**[F365]and in other proceedings before**]**value added tax tribunals and such rules may include provisions—

(a) for limiting the time within which appeals may be brought;

(b) for enabling hearings to be held in private in such circumstances as may be determined by or under the rules;

(c) for parties to proceedings to be represented by such persons as may be determined by or under the rules;

(d) for requiring persons to attend to give evidence [F366];

[F367(dd) for discovery and for requiring persons to produce documents]

(e) for the payment of expenses and allowances to persons attending as witnesses [F368or producing documents];

(f) for the award and recovery of costs; and

(g) for authorising the administration of oaths to witnesses.

Textual Amendments

F365 Words inserted by Finance Act 1985 (c. 54, SIF 40:2), **s. 27(2)**(*a*)

F366 Words repealed by Finance Act 1985 (c. 54, SIF 40:2), **s. 27(2)**(*b*)

F367 Sch. 8 para. 9(*dd*) inserted by Finance Act 1985 (c. 54, SIF 40:2), **s. 27(2)**(*c*)

F368 Words added by Finance Act 1985 (c. 54, SIF 40:2), **s. 27(2)**(*d*)

Modifications etc. (not altering text)

C49 Sch. 8 para. 9 amended (transfer of functions) by Finance Act 1985 (c. 54, SIF 40:2), **s. 27(3)** and by Finance Act 1986 (c. 41, SIF 40:2), **s. 14(7)**

C50 Sch. 8 para. 9 extended (1.7.1994) by 1994 c. 9, **s. 7(5)** (with s. 19(3)); S.I. 1994/1690, **art. 2**

[F369 10(1) A person who fails to comply with a direction or summons issued by a value added tax tribunal under rules made under paragraph 9 above shall be liable to a penalty not exceeding £1000.

(2) A penalty for which a person is liable by virtue of sub-paragraph (1) above may be awarded summarily by a tribunal notwithstanding that no proceedings for its recovery have been commenced.

(3) An appeal shall lie to the High Court or, in Scotland, the Court of Session as the Court of Exchequer in Scotland, from the award of a penalty under this paragraph, and on such an appeal the court may either confirm or reverse the decision of the tribunal or reduce or increase the sum awarded.

(4) A penalty awarded by virtue of this paragraph shall be recoverable as if it were tax due from the person liable for the penalty.]

Textual Amendments

F369 Sch. 8 para. 10 added by Finance Act 1985 (c. 54, SIF 40:2), **s. 28**

SCHEDULE 9

Section 50.

CONSEQUENTIAL AMENDMENTS

1 In section 1(1) of the [M82]Provisional Collection of Taxes Act 1968 after the words “income tax" there shall be inserted the words “value added tax".

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Marginal Citations
M82 1968 c. 2.

2 In section 6(1) of the [M83]Vehicles (Excise) Act 1971 for the words "section 4 of the [M84]Finance Act 1972", "subsection (7) of section 12" and "subsection (8)" there shall be substituted respectively the words "section 2(2) of the Value Added Tax Act 1983", "subsection (7) of section 16" and "subsection (9)".

Marginal Citations
M83 1971 c. 10.
M84 1972 c. 41.

3 In the [M85]Isle of Man Act 1979—

(a) in section 1(1)(d) for the words "section 21 of the [M86]Finance (No. 2) Act 1975" there shall be substituted the words "section 13 of the Value Added Tax Act 1983";

(b) in section 6—

(i) in subsection (1) for the words "the Finance Act 1972" and "the Act of 1972" there shall be substituted respectively the words "the Value Added Tax Act 1983" and "the Act of 1983";

(ii) in subsection (2) for the words "the Act of 1972" wherever they occur and the words "section 21" there shall be substituted respectively the words "the Act of 1983" and "section 29";

(iii) in subsection (4) for the words "the Act of 1972" wherever they occur and the words "section 12(8)", "section 37(3) of" and "section 38(3)" there shall be substituted respectively the words "the Act of 1983", "section 16(9)", "paragraph 10(3) of Schedule 7 to" and "section 39(3)".

Marginal Citations
M85 1979 c. 58.
M86 1975 c. 45.

SCHEDULE 10

Section 50.

SAVINGS AND TRANSITIONAL PROVISIONS

1 Where any period of time specified in an enactment repealed by this Act is current at the commencement of this Act, this Act shall have effect as if the corresponding provision of this Act had been in force when that period began to run.

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2 Any provision of this Act relating to anything done or required or authorised to be done under or by reference to that provision or any other provision of this Act shall have effect as if any reference to that provision or that other provision, as the case may be, included a reference to the corresponding provision of the enactments repealed by this Act.

3 Where an offence for the continuation of which a penalty was provided has been committed under an enactment repealed by this Act, proceedings may be taken under this Act in respect of the continuance of the offence after the commencement of this Act in the same manner as if the offence had been committed under the corresponding provision of this Act.

4 (1) Tax shall not be charged on any supply or importation taking place before 1st April 1973.

(2) Notwithstanding anything in section 4 or 5 of this Act or in section 5 of the [M87]Customs and Excise Management Act 1979 as applied by section 24 of this Act, goods of which entry is made under section 37 of the Customs and Excise Management Act 1979 shall be treated for the purposes of this paragraph as imported on the date on which entry is so made, except that if the entry is for warehousing the goods shall be treated for the purposes of this paragraph as imported on the date on which they are removed from warehouse.

Marginal Citations
M87 1979 c. 2.

5 Notwithstanding the repeal by this Act of sections 5 and 6 of the [M88]Finance Act 1973, the amendments made by those sections shall continue to be deemed always to have had effect.

Marginal Citations
M88 1973 c. 51.

6 Where a vehicle in respect of which purchase tax was remitted under section 23 of the [M89]Purchase Tax Act 1963 (vehicles acquired for use outside the United Kingdom) is brought back to the United Kingdom the vehicle shall not, when brought back, be treated as imported for the purpose of value added tax chargeable on the importation of goods.

Marginal Citations
M89 1963 c. 9.

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7 Sections 252 and 254 of the [M90]Local Government Act 1972 and section 215 of the [M91]Local Government (Scotland) Act 1973 shall apply in relation to section 20(6) of this Act as they applied to section 15(6) of the [M92]Finance Act 1972.

Marginal Citations
M90 1972 c. 70.
M91 1973 c. 65.
M92 1972 c. 41.

8 The repeal by this Act of section 6(4) of the [M93]Finance Act 1974 shall not affect any appointment to a panel of chairmen made by the Treasury before the passing of that Act.

Marginal Citations
M93 1974 c. 30.

9 Where there were in force immediately before 21st April 1975 arrangements between the Commissioners and any taxable person for supplies made by him (or such supplies made by him as were specified in the arrangements) to be treated as taking place at times or on dates which, had section 5(5) of this Act been in force when the arrangements were made, could have been provided for by a direction under that section, he shall be treated for the purposes of that section as having requested the Commissioners to give a direction thereunder to the like effect, and the Commissioners may give a direction (or a general direction applying to cases of any class or description specified in the direction) accordingly.

10 Section 26 of this Act applies where goods are imported on or after 1st August 1977.

11 Section 17(2)(a) of the [M94]Interpretation Act 1978 shall apply in relation to any order or regulations modified by paragraph 28 of Schedule 6 to the [M95]Finance Act 1977 as if that paragraph were not repealed by this Act; and accordingly where by virtue of that paragraph there is a reference in any such order or regulations to sections 3 and 4 of, section 3(9) of, section 6(3) of, or paragraph 6 of Schedule 2 to the [M96]Finance Act 1972 there shall be substituted respectively a reference to sections 14 and 15 of, section 14(10) of, section 3(3) of, or paragraph 6 of Schedule 2 to this Act.

Marginal Citations
M94 1978 c. 30.
M95 1977 c. 36.
M96 1972 c. 41.

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12 Anything begun before 1st January 1978 under any provision of Part I of the Finance Act 1972 which by virtue of paragraph 30 of Schedule 6 to the Finance Act 1977 could be continued under that Part of the said Act of 1972 as amended by the said Act of 1977 may be continued under this Act.

13 Any reference in this Act to things done, suffered or occurring in the past which corresponds to such a reference in Part I of the Finance Act 1972 which by virtue of paragraph 31 of Schedule 6 to the Finance Act 1977 was construed as including a reference to things done, suffered or occurring before 1st January 1978 shall continue to be so construed.

14 Any Treasury order or Commissioners' regulations made before 1st January 1978 and by virtue of paragraph 32 of Schedule 6 to the Finance Act 1977 having effect at the commencement of this Act as if made under a provision repealed by this Act shall continue in force and have effect as if made under the corresponding provision of this Act, subject however to the exercise of any power in Part I of the Finance Act 1972 to vary or revoke the order or regulations and to any such power implied in this Act.

15 References in any documents to provisions of Part I of the Finance Act 1972 as in force before 1st January 1978 and by virtue of paragraph 33 of Schedule 6 to the Finance Act 1977 construed after that date as references to provisions repealed by this Act shall be construed as references to the corresponding provisions of this Act.

16 Section 22 of this Act does not apply where the person liable to pay the outstanding amount of the consideration became insolvent on or before 1st October 1978.

17 Sub-paragraphs (2) and (3) of paragraph 4 of Schedule 7 to this Act shall not have effect in relation to any amounts repaid or paid to any person before the passing of the [M97]Finance Act 1982.

Marginal Citations
M97 1982 c. 39.

18 Nothing in paragraph 3 of Schedule 9 to this Act shall affect the validity of any Order made under section 6 of the [M98]Isle of Man Act 1979 and, without prejudice to section 17 of the Interpretation Act 1978, for any reference in any such Order to any enactment repealed by this Act there shall be substituted a reference to the corresponding provision of this Act.

Marginal Citations
M98 1979 c. 58.

Status: *Point in time view as at 01/02/1991. This version of this Act contains provisions that are not valid for this point in time.*
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SCHEDULE 11

Section 50(2).

REPEALS

Chapter	Short title	Extent of repeal
1972 c. 41.	The Finance Act 1972.	Sections 1 to 51.
		Schedules 1 to 6.
1973 c. 51.	The Finance Act 1973.	Sections 4 to 8.
		Section 55.
		Section 59(3)(b).
1974 c. 30.	The Finance Act 1974.	Section 6.
		In section 57(3)(a) the words “except so far as it relates to value added tax" and the words from “and" onwards.
1975 c. 7.	The Finance Act 1975.	Section 3.
		Section 59(3)(a).
1975 c. 45.	The Finance (No. 2) Act 1975.	Sections 18 to 21.
		Section 75(3)(b).
1976 c. 40.	The Finance Act 1976.	Section 19.
		Sections 21 to 23.
		Section 132(3)(b).
1977 c. 36.	The Finance Act 1977.	Section 14.
		Section 16.
		Section 59(3)(b).
		Schedule 6.
1978 c. 42.	The Finance Act 1978.	Section 11(3) and (4).
		Section 12.
		Section 80(3)(b).
		In Schedule 12, paragraph 21.
1979 c. 2.	The Customs and Excise Management Act 1979.	In Schedule 4, paragraphs 9 to 11 and in the Table in paragraph 12 the entries relating to Part I of and Schedule 4 to the Finance Act 1972.
		In Schedule 7, paragraph 2 so far as it relates to value added tax.

1979 c. 3.	The Customs and Excise (General Reliefs) Act 1979.	In Schedule 2, paragraph 2.
1979 c. 5.	The Hydrocarbon Oil Duties Act 1979.	In Schedule 6, paragraphs 3, 4, 5 and 7.
1979 c. 6.	The Matches and Mechanical Lighters Duties Act 1979.	Section 9(2), (3) and (4).
1979 c. 47.	The Finance (No. 2) Act 1979.	Section 1.
1979 c. 58.	The Isle of Man Act 1979.	In Schedule 1, paragraph 1.
1980 c. 48.	The Finance Act 1980.	Sections 11 to 16.
1981 c. 35.	The Finance Act 1981.	Sections 12 to 15.
1982 c. 39.	The Finance Act 1982.	Sections 13 to 17.
1982 c. 48.	The Criminal Justice Act 1982.	In Schedule 14, paragraph 3 so far as it relates to value added tax.
Chapter	Short title	Extent of repeal
1983 c. 28.	The Finance Act 1983.	In section 47 the words “the law relating to value added tax".
		In Schedule 9, paragraph 1 so far as it relates to value added tax and paragraph 2.

Status:
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Changes to legislation:
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