

SCHEDULES

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) 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 Income and Corporation Taxes Act 1970.
- (5) This paragraph does not apply to a supply to which paragraph 10 below applies.
- 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).

Status: This is the original version (as it was originally enacted).

- (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 Income and Corporation Taxes Act 1970.
- 3 Where—
- (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.
- 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.

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- 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.
- 9 Where a supply of services consists in the provision of accommodation in a hotel, inn, boarding house or similar establishment for a period exceeding four weeks—
- (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.
- 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.