Finance Act 2010

2010 CHAPTER 13

PART 2

ANTI-AVOIDANCE AND REVENUE PROTECTION

Value added tax and insurance premium tax

50 Extension of reverse charge provisions to supplies of services

(1) In section 55A of VATA 1994 (customers to account for tax on supplies of goods of a kind used in missing trader intra-community fraud), after "goods" (in each place, including the heading) insert " or services ".

(2) In paragraph 2(3B) of Schedule 11 to that Act (power to require notifications relating to supplies to which section 55A(6) applies), after "goods" insert " or services ".

51 Insurance premium tax: separate contracts

(1) Part 3 of FA 1994 (insurance premium tax) is amended as follows.

(2) Section 72 (meaning of "premium") is amended as follows.

(3) After subsection (1A) insert—

"(1AA) A contract ("the relevant contract") is not to be regarded as a separate contract for the purposes of subsection (1A) above if conditions A to D are met.

(1AB) Condition A is that the insured is an individual ("I") and enters into the taxable insurance contract in a personal capacity.

(1AC) Condition B is that I—

(a) is required to enter into the relevant contract by, or as a condition of entering into, the taxable insurance contract, or

(b) would be unlikely to enter into the relevant contract without also entering into the taxable insurance contract.

Changes to legislation: *There are currently no known outstanding effects for the Finance Act 2010, Cross Heading: Value added tax and insurance premium tax. (See end of Document for details)*

(1AD) Condition C is that—

(a) the amount charged to I under the relevant contract in respect of any particular services is not open to negotiation by I, or

(b) the other terms on which particular services are to be provided to I under the relevant contract are not open to such negotiation.

(1AE) Condition D is that the amount charged to I under the taxable insurance contract is arrived at without a comprehensive assessment having been undertaken of the individual circumstances of I which might affect the level of risk."

(4) After subsection (9) insert—

"(9A) Provision may be made by order amending subsections (1AA) to (1AE) above."

(5) In section 74(4) and (6) (orders which need to be approved by House of Commons), for "or 71" substitute " , 71 or 72 ".

(6) The amendment made by subsection (3) has effect in relation to payments made on or after 24 March 2010.

Changes to legislation:
There are currently no known outstanding effects for the Finance Act 2010, Cross Heading: Value added tax and insurance premium tax.