
*Changes to legislation: There are currently no known outstanding effects
for the Finance (No. 2) Act 2010, Part 2. (See end of Document for details)*

SCHEDULES

SCHEDULE 2

SUPPLEMENTARY CHARGE TO VAT

PART 2

EXCEPTIONS

Letting etc of assets

- 11 (1) This paragraph applies in relation to a supply within paragraph 2 which arises from the letting, hiring or rental of assets.
- (2) There is no supplementary charge under this Schedule if—
- (a) the period to which the VAT invoice or payment referred to in paragraph 2(1) relates does not exceed 12 months, and
 - (b) the VAT invoice is issued, or the payment is received, in accordance with normal commercial practice in relation to the letting, hiring or rental of such assets.

Condition B cases involving normal commercial practice

- 12 There is no supplementary charge under this Schedule on a supply of goods or services within paragraph 2 or a grant of a right to goods or services within paragraph 3 if—
- (a) the only relevant condition met is condition B, and
 - (b) the supply is made, or the right is granted, in accordance with normal commercial practice in relation to the supply of, or the grant of a right to, such goods or services.

Condition D cases involving hire purchase, conditional sale or credit sale of goods

- 13 There is no supplementary charge under this Schedule on a supply of goods within paragraph 2 if—
- (a) the only relevant condition met is condition D,
 - (b) the VAT invoice—
 - (i) relates to a supply of goods made under a hire-purchase, conditional sale or credit sale agreement,
 - (ii) forms part of that agreement, and
 - (iii) is issued in accordance with normal commercial practice in relation to a supply made under such an agreement, and
 - (c) the basic time of supply of the goods is intended and expected to be within 6 months of the date of the VAT invoice which relates to the supply.

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Normal commercial practice

- 14 In this Part of this Schedule, “normal commercial practice”, in relation to a supply or grant of a right, means—
- (a) normal commercial practice of the supplier or grantor at a time when an increase in the rate of VAT in force under section 2 of VATA 1994 is not expected, or
 - (b) if the supplier or grantor has no such practice, the normal commercial practice of suppliers making similar supplies, or granters granting similar rights, in the United Kingdom at such a time.

Further exceptions

- 15 (1) The Treasury may by order provide that there is no supplementary charge under this Schedule on supplies (including grants of rights to goods or services) of a description specified in the order.
- (2) An order under this paragraph—
- (a) may make provision having effect in relation to supplies of goods or services that are treated as taking place on or after 22 June 2010 or a later date, and
 - (b) may have effect in relation to a supplementary charge which has become due before the order is made.

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