



Finance (No. 3) Act 2010

2010 CHAPTER 33

PART 2

OTHER TAXES AND DUTIES

Value added tax

19 Non-business use of business assets etc

Schedule 8 contains—

- (a) provision about input tax, and
- (b) provision about supplies under paragraph 5(4) of Schedule 4 to VATA 1994.

20 Supplies of gas, heat or cooling

(1) In section 9A of VATA 1994 (reverse charge on gas and electricity supplied by persons outside the United Kingdom)—

- (a) for subsection (5) substitute—

“(5) Relevant goods” means—

- (a) gas supplied through a natural gas system situated within the territory of a member State or any network connected to such a system,
 - (b) electricity, and
 - (c) heat or cooling supplied through a network.”, and
- (b) in the heading, for “**and electricity**” substitute “**, electricity, heat or cooling**”.

(2) In Schedule 4 to VATA 1994 (matters to be treated as supply of goods or services), in paragraph 3 after “refrigeration” insert “ or other cooling, ”.

(3) The amendments made by this section have effect in relation to supplies made on or after 1 January 2011.

Changes to legislation: There are currently no known outstanding effects for the Finance (No. 3) Act 2010, Cross Heading: Value added tax. (See end of Document for details)

21 Supplies of aircraft etc

- (1) Schedule 8 to VATA 1994 (zero-rating) is amended as follows.
- (2) In Note (A1) of Group 8 (transport: definition of “qualifying aircraft” etc), for paragraph (b) substitute—
- “(b) a “qualifying aircraft” is any aircraft which —
- (i) is used by an airline operating for reward chiefly on international routes, or
- (ii) is used by a State institution and meets the condition in Note (B1).”
- (3) After that Note insert—
- “(B1) The condition is that the aircraft—
- (a) is of a weight of not less than 8,000 kilograms, and
- (b) is neither designed nor adapted for use for recreation or pleasure.
- (C1) In Note (A1)(b)—
- “airline” means an undertaking which provides services for the carriage by air of passengers or cargo (or both);
- “State institution” has the same meaning as in Part B of Annex X to the Council Directive [2006/112/EC](#) on the common system of value added tax (transactions which member States may continue to exempt).”
- (4) The amendments made by this section have effect in relation to supplies made, and acquisitions and importations taking place, on or after 1 January 2011.

22 Postal services etc

- (1) In Schedule 8 to VATA 1994 (zero-rating), in Group 8—
- (a) in item 4 (transport of passengers), for “the Post Office company” substitute “a universal service provider”, and
- (b) after Note (4D) insert—
- “(4E) “Universal service provider” means a person who provides a universal postal service (within the meaning of the Postal Services Act 2000), or part of such a service, in the United Kingdom.”
- (2) In Schedule 9 to that Act (exemptions), for Group 3 (postal services) substitute—

“GROUP 3 — POSTAL SERVICES

Item No

- | | |
|---|---|
| 1 | The supply of public postal services by a universal service provider. |
| 2 | The supply of goods by a universal service provider which is incidental to the supply of public postal services by that provider. |

NOTES

Changes to legislation: There are currently no known outstanding effects for the Finance (No. 3) Act 2010, Cross Heading: Value added tax. (See end of Document for details)

- (1) “Universal service provider” means a person who provides a universal postal service, or part of such a service, in the United Kingdom.
 - (2) Subject to the following Notes, “public postal services”, in relation to a universal service provider, means any postal services which the provider is required to provide in the discharge of a licence duty.
 - (3) Public postal services include postal services which a universal service provider provides to allow a person access to the provider's postal facilities, where such services are provided pursuant to a licence duty.
 - (4) Services are not “public postal services” if—
 - (a) the price is not controlled by or under a licence, or
 - (b) any of the other terms on which the services are provided are freely negotiated.
 - (5) But Note (4) does not apply if a licence duty requires the universal service provider to make the services available to persons generally—
 - (a) where the price is not controlled by or under the licence, at the same price, or
 - (b) where terms are freely negotiated as mentioned in Note (4)(b), on those terms.
 - (6) In this Group—

“licence” means a licence under Part 2 of the Postal Services Act 2000;

“licence duty” means a duty imposed as a condition of a licence;

“postal facilities”, in relation to a universal service provider, means the resources and systems deployed by the provider, for the purpose of discharging any licence duty to provide a universal postal service or part of such a service;

“postal services” and “universal postal service” have the same meaning as in the Postal Services Act 2000.”
- (3) The following provisions are omitted—
 - (a) in section 96(1) of VATA 1994, the definition of “the Post Office company”, and
 - (b) paragraph 22(3) and (4) of Schedule 8 to the Postal Services Act 2000.
 - (4) The amendments made by this section have effect in relation to supplies made on or after 31 January 2011.

Changes to legislation:

There are currently no known outstanding effects for the Finance (No. 3) Act 2010, Cross
Heading: Value added tax.