



Finance Act 2012

2012 CHAPTER 14

PART 7

VALUE ADDED TAX

200 Group supplies using an overseas member

- (1) VATA 1994 is amended as follows.
- (2) In section 43 (groups of companies), in subsection (2C)(c), after “above” insert “ and paragraph 8A of Schedule 6 ”.
- (3) In section 83 (appeals), in subsection (1)(v) for “or 2” substitute “ , 2 or 8A ”.
- (4) In section 97(4) (orders requiring Parliamentary approval within 28 days of being made), in paragraph (f), after “1A(7)” insert “ or 8A(7) ”.
- (5) Schedule 6 (valuation: special cases) is amended as follows.
- (6) In paragraph 1 (cases where Commissioners may direct value is open market value), in sub-paragraph (5), after “paragraph”, in the second place it occurs, insert “ 8A or ”.
- (7) After paragraph 8 insert—

“8A

- (1) This paragraph applies where—
 - (a) a supply (“the intra-group supply”) made by a member of a group (“the supplier”) to another member of the group is, by virtue of section 43(2A), excluded from the supplies disregarded under section 43(1)(a), and
 - (b) the representative member of the group satisfies the Commissioners as to the value of each bought-in supply.
- (2) “Bought-in supply”, in relation to the intra-group supply, means a supply of services to the supplier to which section 43(2A)(c) to (e) refers, so far as that supply is used by the supplier for making the intra-group supply.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2012, Section 200. (See end of Document for details)

- (3) The value of the intra-group supply shall be taken to be the total of the relevant amounts in relation to the bought-in supplies.
 - (4) The relevant amount in relation to a bought-in supply is the value of the bought-in supply, unless a direction is made under sub-paragraph (5).
 - (5) If the value of a bought-in supply is less than its open market value, the Commissioners may direct that the relevant amount in relation to that supply is its open market value.
 - (6) A direction under this paragraph must be given by notice in writing to the representative member, but no direction may be given more than 3 years after the time of the intra-group supply.
 - (7) The Treasury may by order vary the provision made by this Schedule about the value of supplies of the kind mentioned in sub-paragraph (1)(a).
 - (8) An order under sub-paragraph (7) may include incidental, supplemental, consequential or transitional provision (including provision amending section 43 or 83).”
- (8) The amendments made by this section have effect in relation to supplies made on or after the day on which this Act is passed.

Changes to legislation:

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