

1975 No. 2005**VALUE ADDED TAX**
**The Value Added Tax (Treatment of Transactions) (No. 2)
Order 1975**

<i>Made - - - -</i>	<i>3rd December 1975</i>
<i>Laid before the House of Commons -</i>	<i>4th December 1975</i>
<i>Coming into Operation</i>	<i>1st March 1976</i>

The Treasury, in exercise of the powers conferred upon them by section 5(7)(c) of the Finance Act 1972(a), hereby make the following Order:—

1. This Order may be cited as the Value Added Tax (Treatment of Transactions) (No. 2) Order 1975 and shall come into operation on 1st March 1976.

2.—(1) The Interpretation Act 1889(b) shall apply for the interpretation of this Order as it applies for the interpretation of an Act of Parliament.

(2) In this Order—

“electronic organ” shall have the same meaning as in the Value Added Tax (Electronic Organs) Order 1975(c);

“finance agreement” means an agreement for the sale of an electronic organ whereby the property in the electronic organ is not to be transferred until the whole of the price has been paid and the seller retains the right to repossess the electronic organ; and

“insurer” means a person authorised under section 3 of the Insurance Companies Act 1974(d) to effect and carry out contracts of insurance against risks of loss of or damage to goods.

3. Each of the following descriptions of transaction shall be treated as neither a supply of goods nor a supply of services—

(a) the disposal of an electronic organ by a person who repossessed it under the terms of a finance agreement if it is in the same condition as it was in when repossessed and if a supply of it in the United Kingdom by a person from whom it was repossessed would not have been chargeable with tax or would have been chargeable with tax on less than the full value of such supply;

(a) 1972 c. 41.

(c) S.I. 1975/2004. (1975 III, p. 7409).

(b) 1889 c. 63.

(d) 1974 c. 49.

- (b) the disposal of an electronic organ by an insurer who acquired it in the settlement of a claim under a policy of insurance if it is in the same condition as it was in when so acquired and if a supply of it in the United Kingdom by the insured would not have been chargeable with tax or would have been chargeable with tax on less than the full value of such supply.

3rd December 1975.

Donald R. Coleman,
James A. Dunn,
Two of the Lords Commissioners
of Her Majesty's Treasury.

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order removes from the scope of the value added tax disposals by finance houses and insurance companies of certain used electronic organs. Any such disposals would otherwise be a supply of goods by virtue of section 5(2) of the Finance Act 1972 and would be chargeable with tax even though the goods had previously borne tax.

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