

STATUTORY INSTRUMENTS

1982 No. 1067

VALUE ADDED TAX

The Value Added Tax (Isle of Man) Order 1982

Made - - - 30th July 1982

Coming into Operation 1st October 1982

At the Court at Buckingham Palace, the 30th day of July 1982

Present,

The Queen's Most Excellent Majesty in Council

Whereas an Agreement between the government of the United Kingdom and the government of the Isle of Man(a) was signed in London on 15th October 1979 whereby both countries are to be treated as a single area for the purposes of value added tax charged under the Finance Act 1972(b) and value added tax charged under the Value Added Tax and Other Taxes Act 1973 (an Act of Tynwald)(c):

Now, therefore, Her Majesty, in pursuance of section 6 of the Isle of Man Act 1979(d) and of all other powers enabling Her in that behalf, is pleased, by and with the advice of Her Privy Council, to order, and it is hereby ordered, as follows—

1.—(1) This Order may be cited as the Value Added Tax (Isle of Man) Order 1982 and shall come into operation on 1st October 1982.

(2) In this Order:—

“the United Kingdom Act” means the Finance Act 1972;

“the Manx Act” means the Value Added Tax and Other Taxes Act 1973;

and

“the Finance Board” means the Finance Board of the Isle of Man,

and any other word or expression used in this Order to which meaning is given in or under Part I of the United Kingdom Act shall have, except where the context otherwise requires, the same meaning in this Order as in or under that Part of that Act.

(3) For the purposes of this Order, the Interpretation Act 1978(e) shall apply to the Manx Act and to any instrument of a legislative character made thereunder as if the Manx Act were an Act of Parliament.

(a) Cmnd. 7747.

(b) 1972 c.41, as amended by the Finance Act 1977 (c.36).

(c) Acts of Tynwald 1973 c.1, as amended by G.C. 171/77.

(d) 1979 c.58.

(e) 1978 c.30.

(4) For the purposes of this Order:—

- (a) a supply shall be treated as made in the United Kingdom if it would be so treated under section 8 or 8A of the United Kingdom Act if Article 2 below were disregarded; and
- (b) a supply shall be treated as made in the Isle of Man if it would be so treated under one or other of those sections if they were amended by substituting for the words “United Kingdom” wherever they occur the words “Isle of Man”.

2. Subject to the provisions of this Order Part I of the United Kingdom Act shall have effect as if the Isle of Man were part of the United Kingdom.

3.—(1) Notwithstanding Article 2 above, the removal of goods to the United Kingdom from the Isle of Man shall be treated for the purposes of Part I of the United Kingdom Act as the importation of those goods into the United Kingdom if they are goods which have previously been imported into or supplied in the United Kingdom or the Isle of Man and either:—

- (a) value added tax was chargeable on that previous importation or supply under Part I of the Manx Act but was not accounted for or paid at the rate which would have applied under Part I of the United Kingdom Act if the importation had been made into, or the supply had been made in, the United Kingdom; or
- (b) that previous importation or supply was wholly or partly relieved from tax chargeable under Part I of the United Kingdom Act or value added tax chargeable under Part I of the Manx Act subject to a condition and that condition has not been complied with.

(2) The amount of tax chargeable under Part I of the United Kingdom Act on the removal into the United Kingdom from the Isle of Man of such goods as are mentioned in paragraph (1) above shall be reduced by an amount equal to any value added tax chargeable under Part I of the Manx Act which has been accounted for or paid on any earlier importation of those goods into, or supply of those goods in, the United Kingdom or the Isle of Man.

4. Tax shall not be charged under the United Kingdom Act:—

- (a) on the importation of goods into the Isle of Man except where the importation is by a taxable person otherwise than in the course or furtherance of a business carried on by him; or
- (b) on the importation of goods into the United Kingdom by a person who is a taxable person for the purposes of the Manx Act where the importation is in the course or furtherance of a business carried on by him.

5. Any requirement imposed by or under the Manx Act shall be treated as a requirement imposed by or under the United Kingdom Act.

6. Any permission, direction, notice, determination or other thing given, made or done under the Manx Act by the Finance Board shall be treated as given, made or done by the Commissioners under the United Kingdom Act.

7. Sections 3(3)(a), (4), (8) and (9), 5, 14(3), 15, 15A(a), 17(1)(b), 32(1), 33, 36(1), 43(4)(b) and 51 of the United Kingdom Act, section 16 of the Finance Act 1977 (c) and section 12(1) of the Finance Act 1978 (d) shall have effect as if the references to tax in those sections included references to value added tax chargeable under Part I of the Manx Act.

8. A person who is a taxable person for the purposes of the Manx Act shall be treated as a taxable person for the purposes of sections 18, 27(3), 30(2), 34(1) and 40(1)(k) of, and Note (6) to Item 4 of Group 15 of Schedule 4(e) to, the United Kingdom Act and of section 16 of the Finance Act 1977.

9. Section 15A of the United Kingdom Act shall not apply to the construction of dwellings within the Isle of Man.

10.—(1) This Article shall have effect for enabling the Commissioners to determine for the purposes of section 21 of the United Kingdom Act which member of a group is to be the representative member in cases where supplies are made both in the United Kingdom and in the Isle of Man.

(2) Where bodies corporate, which are treated as members of a group under the said section 21 have establishments both in the United Kingdom and in the Isle of Man, or do not have an establishment in either country, the Commissioners may at any time determine that another member of the group shall be substituted as the representative member from such date as they may determine.

11.—(1) This Article shall have effect, where a person would, apart from this Article, be liable to be registered both under Part I of the United Kingdom Act and under Part I of the Manx Act, for determining, or enabling the Commissioners to determine whether that person is to be registered under the United Kingdom Act or the Manx Act and for transferring a person registered under one Act to the register kept under the other.

(2) A person, who by virtue of paragraph 1(a) or (b) of Schedule 1(f) to the United Kingdom Act is liable to be registered shall, if he has an establishment both in the United Kingdom and in the Isle of Man or does not have an establishment in either country, be registered either under Part I of the United Kingdom Act or under Part I of the Manx Act, as the Commissioners shall determine, but unless or until the Commissioners determine that such a person shall be registered under Part I of the Manx Act, he shall be required to be registered under Part I of the United Kingdom Act.

(a) Section 15A was inserted by section 3 of the Finance Act 1975 (c.7).

(b) Subsection (1) of section 17 was amended by section 177(1) of and Schedule 4 to the Customs and Excise Management Act 1979 (c.2).

(c) 1977 c.36. (d) 1978 c.42.

(e) Schedule 4 has been varied; the relevant amending instrument is S.I. 1978/1064.

(f) Schedule 1 has been amended; the relevant amendments were made by section 11 of the Finance Act 1978, section 12 of the Finance Act 1980 (c.48) and section 12 of the Finance Act 1981 (c.35).

(3) Paragraphs 3, 5 and 6 of Schedule 1 to the United Kingdom Act shall not apply to a person registered or required to be registered under Part I of the Manx Act.

(4) The Commissioners may determine that any person to whom paragraph 3, 5 or 6 of Schedule 1 to the United Kingdom Act applies shall be registered under Part I of the Manx Act.

(5) Where a person, who is or was required to notify the Commissioners under paragraph 3, 5 or 6 of Schedule 1 to the United Kingdom Act, has an establishment in the Isle of Man, he may notify the Isle of Man Finance Board and such notification shall be deemed for the purposes of that paragraph to be notification to the Commissioners.

(6) Any person, registered under Part I of the United Kingdom Act on or after 1st April 1980, who—

(a) has no establishment in the Isle of Man, or

(b) is the representative member of a group of bodies corporate, within the meaning of section 21 of the United Kingdom Act, no member of which has an establishment in the Isle of Man,

shall notify the Commissioners if, at any later time, he or any member of the group has such an establishment and such notification shall be treated for the purposes of Schedule 1 to the United Kingdom Act and any regulations made thereunder as an event which could necessitate the cancellation of that person's, or that group of bodies corporate's, registration.

(7) Where a person, who is registered under Part I of the United Kingdom Act, has establishments both in the United Kingdom and in the Isle of Man, or does not have an establishment in either country, the Commissioners may, at any time, determine that he shall be registered under Part I of the Manx Act.

(8) Where the Commissioners determine that a person, who is registered under Part I of the United Kingdom Act, shall be registered under Part I of the Manx Act, he shall cease to be, or required to be, registered under Part I of the United Kingdom Act from such date as they may determine, but, for the purposes of paragraph 7 of Schedule 2 to the United Kingdom Act, he shall not cease to be a taxable person.

(9) Where a person, who is registered under Part I of the Manx Act, has establishments both in the United Kingdom and in the Isle of Man or does not have an establishment in either country, the Commissioners may, at any time, determine that he shall be registered under Part I of the United Kingdom Act and, if they so determine, they shall register him with effect from such date as they may determine.

(10) Where a person who was registered under Part I of the Manx Act is, pursuant to a determination of the Commissioners to that effect, registered under

Part I of the United Kingdom Act, any amount of value added tax required to be paid under Part I of the Manx Act shall be deemed to have been an amount of tax due under Part I of the United Kingdom Act.

(11) Section 18(1) of the Finance (No. 2) Act 1975 (a) shall not apply where the person to whom the supply is made is registered under Part I of the Manx Act.

12.—(1) For the purposes of Articles 10 and 11 above a person shall be deemed to have an establishment in a country if—

- (a) there is a place in that country from which he carries on a business; or
- (b) he carries on business through a branch or agent in that country.

(2) For the purposes of paragraph (1) above an agent is a person who has the authority or capacity to create legal relations between his principal and a third party.

13. In section 3(8)(bb)(b) of the United Kingdom Act the words “under either of those Parts” are hereby repealed.

14. This Order revokes:—

- (a) the Value Added Tax (Isle of Man) Order 1980 (c), except so much of it as relates to the Rules, Regulations and Orders specified in Schedule 2 to that Order; and
- (b) so much of the Value Added Tax (Isle of Man) (No. 2) Order 1980 (d) as relates to the amendment of the Finance Act 1972,

and accordingly the Finance Acts amended by those Orders shall have effect as if the Orders had not been made.

N. E. Leigh,
Clerk of the Privy Council.

(a) 1975 c.45.

(b) Section 3(8)(bb) was inserted by section 13 of the Finance Act 1981.

(c) S.I. 1980/183. (d) S.I. 1980/866.

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order revokes the amendments made to various United Kingdom Finance Acts by previous Orders in Council relating to the value added tax charged by those Acts in the United Kingdom and by the Value Added Tax and Other Taxes Act 1973 in the Isle of Man. Those amendments were made pursuant to the Agreement between the government of the United Kingdom and the government of the Isle of Man signed in London on 15th October 1979, and the effect of this Order is to modify the law in those Acts relating to value added tax in the United Kingdom for the limited purpose of enabling both countries to be treated as a single area for the purposes of that tax.

SI 1982/1067
ISBN 0-11-027067-3



780110 270678