

*Order made by Treasury, laid before the House of Commons under section 45(3) of the Value Added Tax Act 1983, for approval by a resolution of that House within twenty-eight days beginning with the day on which the Order was made, subject to extension for periods of dissolution, prorogation or adjournment for more than four days.*

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STATUTORY INSTRUMENTS

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**1993 No. 1507**

**VALUE ADDED TAX**

**The Value Added Tax (Supply of Services) Order 1993**

<i>Made</i>	- - - -	<i>15th June 1993</i>
<i>Laid before the House of Commons</i>	- - - -	<i>16th June 1993</i>
<i>Coming into force</i>	- -	<i>1st August 1993</i>

The Treasury, in exercise of the powers conferred on them by section 3(4) and (8) of the Value Added Tax Act 1983<sup>(1)</sup> and of all other powers enabling them in that behalf, hereby make the following Order:—

1. This Order may be cited as the Value Added Tax (Supply of Services) Order 1993 and shall come into force on 1st August 1993.
2. In this Order—  
“the Act” means the Value Added Tax Act 1983.
3. Subject to articles 6 and 7 below, where a person carrying on a business puts services which have been supplied to him to any private use or uses them, or makes them available to any person for use, for a purpose other than a purpose of the business he shall be treated for the purposes of the Act as supplying those services in the course or furtherance of the business.
4. In the case of a business carried on by an individual, this Order shall apply to services used, or made available for use, by himself personally.
5. The value of a supply which a person is treated as making by virtue of this Order shall be taken to be that part of the value of the supply of the services to him as fairly and reasonably represents the cost to him of providing the services.
6. This Order shall not apply in respect of any services—
  - (a) which are used, or made available for use, for a consideration;

- (b) except those in respect of which the person carrying on the business was entitled under sections 14 and 15 of the Act<sup>(2)</sup> to credit for the whole or any part of the tax on their supply to him;
- (c) in respect of which any part of the tax on their supply to the person carrying on the business was not counted as being input tax of his by virtue of an apportionment made under section 14(4) of the Act; or
- (d) of a description within paragraph 10(1) of Schedule 4 to the Act.

7. Nothing in this Order shall be construed as making any person liable for any tax which, taken together with any tax for which he was liable as a result of a previous supply of the same services which he was treated as making by virtue of this Order, would exceed the amount of input tax for which he was entitled to credit under sections 14 and 15 of the Act in respect of the services used, or made available for use, by him; and, where the tax chargeable would otherwise exceed the amount of that credit—

- (a) he shall not be treated as making a supply of the services where the amount of that credit has already been equalled or exceeded; and
- (b) in any other case, the value of the supply shall be reduced accordingly.

*Nicholas Baker  
Tim Wood*

Two of the Lords Commissioners of Her Majesty's Treasury

15th June 1993

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(2) Relevant amendments to section 14 were made by section 14(2) of, and paragraph 15 of Schedule 3 to, the Finance (No. 2) Act 1992 (c. 48); relevant amendments to section 15 were made by section 12(1) of the Finance Act 1987 (c. 16), section 26 of the Finance Act 1989 (c. 26) and section 14(2) of, and paragraph 16 of Schedule 3 to, the Finance (No. 2) Act 1992 (c. 48).

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## EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order, which comes into force on 1st August 1993, introduces provisions for taxing the private or other non-business use of services received by a taxable person where he has treated as his input tax the whole of the value added tax charged to him on the supply of the services. The Order provides that the taxable person is treated as making a supply of the services in such circumstances, but the total tax charge cannot exceed the amount of input tax deducted.