
STATUTORY INSTRUMENTS

1997 No. 1525

VALUE ADDED TAX

The Value Added Tax (Amendment) (No. 2) Regulations 1997

<i>Made</i>	- - - -	<i>30th June 1997</i>
<i>Laid before the House of Commons</i>	- - - -	<i>30th June 1997</i>
<i>Coming into force</i>	- -	<i>1st July 1997</i>

The Commissioners of Customs and Excise in exercise of the powers conferred on them by section 6(14) of the Value Added Tax Act 1994⁽¹⁾ and of all other powers enabling them in that behalf, hereby make the following Regulations:

1. These Regulations may be cited as the Value Added Tax (Amendment) (No. 2) Regulations 1997 and shall come into force on 1st July 1997.

2. The Value Added Tax Regulations 1995⁽²⁾ shall be amended in accordance with the following regulations.

3. In regulation 90 after paragraph (3) there shall be added the following paragraphs—

“(4) This regulation shall not apply to any relevant services—

(a) where the period to which a payment falling within paragraph (1), (2) or (3) above relates, ends before 1st July 1997; or

(b) which are treated as supplied on 1st July 1997 by virtue of regulation 90A below.

(5) In this regulation and in regulations 90A and 90B below, “relevant services” means services within the description contained in paragraph 7A of Schedule 5 to the Act⁽³⁾ which are treated as supplied in the United Kingdom by virtue of article 20 of the Value Added Tax (Place of Supply of Services) Order 1992⁽⁴⁾.”

4. After regulation 90 there shall be inserted the following regulations—

“**90A.** Where—

(a) relevant services are supplied for a period for a consideration the whole or part of which is determined or payable periodically or from time to time;

(1) 1994 c. 23; section 96(1) defines “the Commissioners” as meaning the Commissioners of Customs and Excise and “regulations” as meaning regulations made by the Commissioners under the Act.

(2) S.I. 1995/2518; to which there are amendments not relevant to these Regulations.

(3) Paragraph 7A was inserted by S.I. 1997/1523.

(4) S.I. 1992/3121; relevant amending instrument is S.I. 1997/1524.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

(b) the period covered by the payment referred to in sub-paragraph (c) below ends on or after 1st July 1997; and

(c) a payment in respect of the services was made before 1st July 1997,

the services shall be treated as supplied on 1st July 1997.

90B. Where relevant services are treated as supplied on or after 1st July 1997 by virtue of regulation 90 or 90A above, the supply shall be treated as taking place only to the extent covered by the lower of—

(a) the payment; and

(b) so much of the payment as is properly attributable to such part of the period covered by the payment as falls after 30th June 1997.”.

5. In regulation 94 for the words “Where under this Part” there shall be substituted the words “Subject to regulation 90B above, where under this Part”.

New King’s Beam House 22 Upper Ground
London
30th June 1997

Martin Brown
Commissioner of Customs and Excise

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend, with effect from 1st July 1997, the Value Added Tax Regulations 1995 (S.I.1995/2518) (“the principal Regulations”).

The amendments made are a consequence of the amendments made to the Value Added Tax (Place of Supply of Services) Order 1992 (S.I. 1992/3121) made by the Value Added Tax (Place of Supply of Services) (Amendment) Order 1997 (S.I. 1997/1524).

The amendments relate to services (“telecommunications services”) within the description contained in paragraph 7A of Schedule 5 to the Value Added Tax Act 1994 (“the Act”), (which was added to Schedule 5 by the Value Added Tax (Reverse Charge) (Anti-avoidance) Order 1997 (S.I. 1997/1523)).

Regulation 3 adds regulation 90(4) to the principal Regulations. Regulation 90(4) ensures that regulation 90 does not treat relevant telecommunications services as supplied on or after 1st July 1997 where the period to which the payment for those services relates ended before that date.

Regulation 4 inserts regulation 90A and 90B into the principal Regulations. Regulation 90A of the principal Regulations provides that relevant telecommunications services will be treated as supplied on 1st July 1997 where payment was made before that date in respect of a period which ends on or after 1st July 1997.

Regulation 90B determines, in respect of relevant telecommunications services for which payment is made on or after 1st July 1997, the extent to which those services are to be treated as taking place. These services will be treated as taking place only to the extent covered by the payment or, if lower, such part of the payment as is properly attributable to such part of the period covered by the payment as falls after 30th June 1997.

Regulation 5 makes a consequential amendment to regulation 94 of the principal Regulations.