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STATUTORY INSTRUMENTS

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**1997 No. 510**

**VALUE ADDED TAX**

**The Value Added Tax (Finance) Order 1997**

*Made* - - - - 26th February 1997  
*Laid before the House of*  
*Commons* - - - - 27th February 1997  
*Coming into force* - - 24th March 1997

The Treasury, in exercise of the powers conferred on them by sections 31(2) and 96(9) of the Value Added Tax Act 1994<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 (Finance) Order 1997 and shall apply in relation to any supply made on or after 24th March 1997.

2. Group 5 of Schedule 9 to the Value Added Tax Act 1994 (exempt supplies: finance) shall be varied as follows—

(a) after item 9 there shall be added the following item—

“10. The services of the authorised corporate director of an open-ended investment company so far as they consist in managing the company’s scheme property.”;

(b) after Note (6) there shall be added the following Notes—

“(7) For the purposes of item 10, a person is an authorised corporate director of an open-ended investment company if for the time being that person—

(a) is a director of the company, and

(b) has responsibility for the management of, and is managing, the company’s scheme property.

(8) For the purposes of item 10 and Note (7), an open-ended investment company’s scheme property is the property subject to the collective investment scheme constituted by that company.

(9) In Note (7) “director”, in relation to an open-ended investment company, includes a person occupying in relation to it the position of director (by whatever name called).

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**Status:** This is the original version (as it was originally made).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

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(10) For the purposes of this Group, “collective investment scheme” and “open-ended investment company” have the meanings given by section 75 of the Financial Services Act 1986<sup>(2)</sup>.”

26th February 1997

*Richard Ottoway*  
*Patrick McLoughlin*  
Two of the Lords Commissioners of Her  
Majesty’s Treasury

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(2) 1986 c. 60; section 75 was amended by S.I.1988/803 and S.I. 1990/349.

## EXPLANATORY NOTE

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

This Order amends Group 5 (exempt supplies: finance) of Schedule 9 to the Value Added Tax Act 1994 (c. 23).

Article 13(B)(d)(6) of Council Directive [77/388/EEC](#) (OJNo. L145, 13.6.1977, p. 1) exempts the management of special investment funds as defined by member States.

The effect of the Order is to exempt from VAT as from 24th March 1997 the services of the authorised corporate director of an open-ended investment company so far as they consist in managing the scheme property of the company.