
STATUTORY INSTRUMENTS

1998 No. 763

VALUE ADDED TAX

**The Value Added Tax (Place of Supply
of Services) (Amendment) Order 1998**

Made - - - - 17th March 1998
Laid before the House of
Commons - - - - 17th March 1998
Coming into force in accordance with article 1

The Treasury, in exercise of the powers conferred on them by sections 7(11) and 8(5) of the Value Added Tax Act 1994⁽¹⁾ 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 (Place of Supply of Services) (Amendment) Order 1998 and shall apply in relation to any services supplied on or after 18th March 1998.

2. The Value Added Tax (Place of Supply of Services) Order 1992⁽²⁾ shall be amended in accordance with the following provisions of this Order.

3. For article 17 there shall be substituted—

“17. Where a supply of services consists of—

- (a) the letting on hire of any means of transport; or
- (b) services described in paragraph 7 or 7A of Schedule 5⁽³⁾ to the Act,

and those services would be treated, apart from this article, as supplied in the United Kingdom, they shall not be treated as supplied in the United Kingdom to the extent that the effective use and enjoyment of the services takes place outside the member States.”.

4. For article 18 there shall be substituted—

“18. Where a supply of services consists of—

- (a) the letting on hire of any means of transport; or
- (b) services described in paragraph 7 or 7A of Schedule 5 to the Act,

⁽¹⁾ 1994 c. 23.

⁽²⁾ S.I. 1992/3121; relevant amending instrument is S.I. 1997/1524.

⁽³⁾ Schedule 5 was amended by the Value Added Tax (Reverse Charge) (Anti-avoidance) Order 1997 (S.I. 1997/1523).

Status: This is the original version (as it was originally made).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

and those services would be treated, apart from this article, as supplied in a place outside the member States, they shall be treated as supplied in the United Kingdom to the extent that the effective use and enjoyment of the services takes place in the United Kingdom.”.

5. Articles 19 and 20 shall be omitted.

17th March 1998

Graham Allen
Jim Dowd
Two of the Lords Commissioners of Her
Majesty’s Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

This Order applies to services supplied on or after 18th March 1998. It amends the Value Added Tax (Place of Supply of Services) Order 1992 (S.I.1992/3121) (“the principal Order”).

Article 3 substitutes a new article 17. Article 17 applies to the services which are described therein and would, apart from that article, be treated as supplied in the United Kingdom. It relieves such services from VAT to the extent that they are used and enjoyed outside the European Community.

Article 4 substitutes a new article 18. Article 18 applies to the services which are described therein and would, apart from that article, be treated as supplied outside the European Community. It makes such services chargeable to VAT to the extent that they are used and enjoyed in the United Kingdom.

Article 5 omits articles 19 and 20 from the principal Order because the supplies described therein are included within the substituted articles 17 and 18 respectively.