

2003 No. 1568

VALUE ADDED TAX

The Value Added Tax (Finance) Order 2003

Made - - - - - 16th June 2003

*Laid before the House of
Commons - - - - - 16th June 2003*

Coming into force in accordance with article 1

Approved by the House of Commons

The Treasury, in exercise of the powers conferred upon them by sections 31(2) and 96(9) of the Value Added Tax Act 1994(a) and of all powers enabling them in that behalf, hereby make the following Order:

1. This Order may be cited as the Value Added Tax (Finance) Order 2003 and shall apply in relation to any services performed on or after 1st August 2003.
2. In Group 5 of Schedule 9 to the Value Added Tax Act 1994(b) omit Note (2B).

16th June 2003

*Nick Ainger
John Heppell*
Two of the Lords Commissioners of Her Majesty's Treasury

(a) 1994 c. 23.

(b) Group 5 was varied by S.I. 1997/510, S.I. 1999/594 and S.I. 2001/3649.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order, together with the Value Added Tax (Finance) (No. 2) Order 2003, applies to services performed on or after 1st August 2003. It amends Group 5 of Schedule 9 (exempt financial services) to the Value Added Tax Act 1994 to clarify the scope of the Group following recent litigation. The amendments in this Order redefine the scope of the exemption for supplies consisting of credit management.

Article 2, which removes Note 2B, will mean that a relevant supply of financial services will be taxed or exempted according to its overall character instead of by reference to the presence or absence of a service listed in Note 2B. Previously a credit provider could exempt a supply containing a listed service whether or not the overall supply was taxable in character. The removal of Note 2B will also mean that a non-credit provider will not have to tax an exempt supply containing a listed service.

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