
STATUTORY INSTRUMENTS

2003 No. 863

VALUE ADDED TAX

The Value Added Tax (Reverse Charge) (Amendment) Order 2003

Made - - - - 25th March 2003
Laid before the House of
Commons - - - - 26th March 2003
Coming into force in accordance with article 1

The Treasury, in exercise of the powers conferred upon them by section 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:

Citation and commencement

1. This Order may be cited as the Value Added Tax (Reverse Charge) (Amendment) Order 2003 and shall apply in relation to any services performed on or after 1st July 2003.

Additions to descriptions of services to which reverse charge applies

2.—(1) Schedule 5 to the Value Added Tax Act 1994⁽²⁾ is amended as follows.

(2) For paragraph 7(a)⁽³⁾ substitute:

“**7A** Telecommunications services, that is to say services relating to the transmission, emission or reception of signals, writing, images and sounds or information of any nature by wire, radio, optical or other electromagnetic systems, including—

(a) the related transfer or assignment of the right to use capacity for such transmission, emission or reception, and

(b) the provision of access to global information networks.”

(3) After paragraph 7A insert—

“**7B** Radio and television broadcasting services.

7C Electronically supplied services, for example—

(1) 1994 c. 23.

(2) Schedule 5 was amended by S.I. 1997/1523.

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

- (a) website supply, web-hosting and distance maintenance of programmes and equipment;
- (b) the supply of software and the updating of software;
- (c) the supply of images, text and information, and the making available of databases;
- (d) the supply of music, films and games (including games of chance and gambling games);
- (e) the supply of political, cultural, artistic, sporting, scientific and entertainment broadcasts (including broadcasts of events);
- (f) the supply of distance teaching.

But where the supplier of a service and his customer communicate via electronic mail, this shall not of itself mean that the service performed is an electronically supplied service.”

- (4) In paragraph 8 for “paragraphs 1 to 7A” substitute “paragraphs 1 to 7C”.

25th March 2003

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

EXPLANATORY NOTE

(This note is not part of the Order)

This Order, which applies to services performed on or after 1st July 2003, amends Schedule 5 to the Value Added Tax Act 1994. It inserts new paragraphs 7B and 7C and amends paragraph 8. The amendments give effect to Article 9(2)(e) of Council Directive [77/388/EEC](#) (OJNo. L145, 13.6.77, p1) as amended by Council Directive [2002/38/EC](#) (OJ No. L128, 15.5.02, p41).

The Order also amends paragraph 7A of Schedule 5 to the Act to implement fully the definition of telecommunications services in Article 9(2)(e) of Council Directive [77/388/EEC](#) as amended by Directive [99/59/EC](#) (OJ No. L162, 26.6.99, p64).

The Value Added Tax (Place of Supply of Services) Order 1992 (S.I.1992/3121) is amended with effect from 1st July 2003 by the Value Added Tax (Place of Supply of Services) (Amendment) Order 2003.