

2004 No. 3150

VALUE ADDED TAX

**The Value Added Tax (Removal of Gas and Electricity) Order
2004**

<i>Made</i> - - - -	<i>30th November 2004</i>
<i>Laid before the House of Commons</i>	<i>2nd December 2004</i>
<i>Coming into force</i> - -	<i>1st January 2005</i>

The Treasury, in exercise of the powers conferred on them by section 5(3) of the Value Added Tax Act 1994^(a), hereby make the following Order:

1. This Order may be cited as the Value Added Tax (Removal of Gas and Electricity) Order 2004 and shall come into force on 1st January 2005 in relation to supplies made on or after that date.

2. Paragraph 6(1) of Schedule 4 (matters to be treated as supply of goods or services) to the Value Added Tax Act 1994 shall not apply to the removal of—

- (a) gas through the natural gas distribution network, or
- (b) electricity,

from a member State to a place in any other member State.

30th November 2004

Jim Murphy
Nick Ainger
Two of the Lords Commissioners of Her Majesty's Treasury

(a) 1994 c. 23.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order, which comes into force on 1st January 2005, is part of the implementation of Council Directive 2003/92/EC (OJ L260, 11.10.03 p.8) It forms part of a package of new measures which apply to supplies of natural gas and electricity. A transposition in respect of this implementation is available at www.hmce.gov.uk.

The Order excludes from the scope of paragraph 6(1) of Schedule 4 to the Value Added Tax Act 1994 transfers between member States of gas through the natural gas distribution system and of electricity. As a result, they are no longer deemed to be supplies of goods as is otherwise normally necessary to ensure the correct application of VAT where a business transfers its own goods within the EC.

A full regulatory impact assessment on the effect that this instrument will have on the costs of businesses is available at www.hmce.gov.uk.

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