
STATUTORY INSTRUMENTS

2007 No. 1417

The Value Added Tax (Section 55A) (Specified Goods and Excepted Supplies) Order 2007

Citation and commencement

1. This Order may be cited as the Value Added Tax (Section 55A) (Specified Goods and Excepted Supplies) Order 2007 and comes into force on 1st June 2007.

Interpretation

2. In this Order—

“public electronic communications service” has the same meaning as in section 151 of the Communications Act 2003⁽¹⁾;

“specified goods” means goods of a description specified in article 3;

“the Act” means the Value Added Tax Act 1994.

Specified Goods

3. For the purposes of section 55A of the Act (customers to account for tax on supplies of goods of a kind used in missing trader intra-community fraud) the goods of a description specified below are goods to which that section applies—

- (a) mobile telephones, whether or not they have any function in addition to the transmitting and receiving of spoken messages;
- (b) integrated circuit devices, such as central processing units and microprocessor units, in a state prior to integration into end user products.

Excepted supplies

4. For the purposes of section 55A of the Act, a supply of a description specified below is an excepted supply—

- (a) a supply of specified goods where the value of the supply is less than £5000;
- (b) a supply of specified goods where the supply is of a description specified in an order made under section 50A⁽²⁾ of the Act (margin schemes) and, in accordance with such an order, the supplier opts to account for the VAT chargeable on the supply on the profit margin on the supply instead of by reference to its value;
- (c) a supply of a mobile telephone where, at the time a person enters into the agreement to purchase the telephone—

⁽¹⁾ 2003 c.21.

⁽²⁾ section 50A was inserted by section 24(1) of the Finance Act 1995 (c.4). Articles 12 and 13 of the Value Added Tax (Special Provisions) Order 1995 (S.I. 1995/1268) have been made under that section.

- (i) he enters into an agreement (including the renewal or extension of an existing agreement) with a provider of a public electronic communications service for the supply, in relation to that telephone, of such a service, and
 - (ii) that agreement is not one that requires periodical pre-payments in order to use the service (“Pay as You Go”);
 - (d) a transfer or disposal of specified goods for no consideration that is treated as a supply of goods by virtue of paragraph 5(1) of Schedule 4 to the Act.
5. Article 4(a) does not apply to a supply of specified goods where—
- (a) the supply is particularised on the same VAT invoice as a supply, or supplies, of other specified goods, and
 - (b) the total value of the supplies equals or exceeds £5000.

10th May 2007

Dave Watts
Alan Campbell
Two of the Lords Commissioners of Her
Majesty’s Treasury