EXPLANATORY NOTE

(This note is not part of the Order)

This Order is made in exercise of the powers in 7A(6)(b) of the Valued Added Tax Act 1994 and section 52 of the Taxation (Cross-border Trade) Act 2018 (c. 22) in consequence of, or otherwise in connection with, the withdrawal of the United Kingdom from the European Union. It is to come into force on such day as the Treasury by regulations appoint.

This Order is made to address failures of retained EU law to operate effectively and other deficiencies arising from the withdrawal of the United Kingdom from the European Union.

Article 3 amends paragraph 15 of Part 3 of Schedule 4A to the Value Added Tax Act 1994. Paragraph 15 provides a special rule ("the special rule") to determine the place of supply of electronically supplied services, telecommunication and broadcasting services to a person who is not a relevant business person. It also provides an exception ("the exception") to the special rule where the supplier is established in only one member state of the EU and makes supplies below a specified value. Article 3 removes the exception to the special rule

Article 4 revokes the Value Added Tax (Place of Supply of Services) (Supplies of Electronic, Telecommunication and Broadcasting Services) Order 2018 (S.I. 2018/1194) which introduced the exception to the special rule.

An Impact Assessment has not been prepared for this instrument because it reverses legislation that will be otiose when the UK leaves the EU and VAT MOSS legislation is withdrawn.