



# Finance Act 1972

## 1972 CHAPTER 41

### PART I

#### VALUE ADDED TAX

##### *Rate of tax and determination of value*

#### **9 Rate of tax**

- (1) Subject to the following provisions of this section, tax shall be charged at the rate of ten per cent., and shall be charged—
  - (a) on the supply of goods or services, by reference to the value of the supply as determined under this Part of this Act; and
  - (b) on the importation of goods, by reference to the value of the goods as determined under this Part of this Act.
- (2) The Treasury may by order made before 1st April 1973 substitute for the rate of ten per cent. a rate not lower than seven and a half per cent. nor higher than twelve and a half per cent.
- (3) The Treasury may by order increase or decrease the rate for the time being in force by such percentage thereof, not exceeding 20 percent., as may be specified in the order, but any such order shall cease to be in force at the expiration of a period of one year from the date on which it takes effect, unless continued in force by a further order under this subsection.
- (4) In relation to an order made under subsection (3) of this section to continue, vary or replace a previous order, the reference in that subsection to the rate for the time being in force is a reference to the rate that would be in force if no order under that subsection had been made.

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*Status: This is the original version (as it was originally enacted). This item of legislation is currently only available in its original format.*

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## **10 Value of supply of goods or services**

- (1) For the purposes of this Part of this Act the value of any supply of goods or services shall be determined as follows.
- (2) If the supply is for a consideration in money its value shall be taken to be such amount as, with the addition of the tax chargeable, is equal to the consideration.
- (3) If the supply is not for a consideration or is for a consideration not consisting or not wholly consisting of money, the value of the supply shall be taken to be its open market value.
- (4) Where a supply of any goods or services is not the only matter to which a consideration in money relates the supply shall be deemed to be for such part of the consideration as is properly attributable to it.
- (5) For the purposes of this Part of this Act the open market value of a supply of goods or services shall be taken to be the amount that would fall to be taken as its value under subsection (2) of this section if the supply were for such consideration in money as would be payable by a person standing in no such relationship with any person as would affect that consideration.
- (6) This section has effect subject to Schedule 3 to this Act

## **11 Value of imported goods**

For the purposes of this Part of this Act the value of any imported goods shall be taken to be the aggregate of the following, that is to say,—

- (a) the amount that would fall to be taken as their value under section 258 of the Customs and Excise Act 1952 if value added tax were a duty of customs; and
- (b) the amount of any customs duty payable on the goods or of any payment or repayment made in order to secure relief from such customs duty under section 35 or section 36 of the Customs and Excise Act 1952 (relief on re-importation); and
- (c) any amount payable on the goods by way of surcharge under section 7 of the Sugar Act 1956 or a levy under section 1 of the Agriculture and Horticulture Act 1964 or payable on the goods under section 6(5) of the European Communities Act 1972 or that section as applied by section 7(1) of that Act.