



Value Added Tax Act 1983 (repealed 1.9.1994)

1983 CHAPTER 55

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 [^{F1}17.50 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 Act; ^{F2} . . .
 - (b) on the importation of goods, by reference to the value of the goods as determined under this Act.
- (2) The Treasury may by order increase or decrease the rate of tax for the time being in force by such percentage thereof not exceeding 25 per cent. 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.
- (3) In relation to an order made under subsection (2) above 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 which would be in force if no order under that subsection had been made.

Textual Amendments

- F1** Words in s. 9(1) substituted (1.4.1991) by [Finance Act 1991 \(c. 31, SIF 40:2\)](#), s. 13(1)(2)
- F2** Word in s. 9(1)(a) repealed by [Finance \(No. 2\) Act 1992 \(c. 48\)](#), s. 82, [Sch. 18 Pt.V](#) (by the note at the end of Pt. V of Sch. 18 it is provided that the repeals in Pt. V come into force in accordance with s. 14(3) of that 1992 Act); [S.I. 1992/1867](#), art. 3, [Sch. Pt.I](#); [S.I. 1992/2979](#), art. 4, [Sch. Pt.II](#) (with art. 5); [S.I. 1992/3261](#), art. 3, Sch. (with art. 4)

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Changes to legislation: There are currently no known outstanding effects for the Value Added Tax Act 1983 (repealed 1.9.1994), Cross Heading: Rate of tax and determination of value. (See end of Document for details)

10 Value of supply of goods or services.

- (1) For the purposes of this Act the value of any supply of goods or services [^{F3}shall, except as otherwise provided by or under this Act, be determined in accordance with this section and Schedule 4 to this Act, and for those purposes subsections (2) to (4) below have effect subject to that Schedule].
- (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.
- [^{F4}(3) If the supply is for a consideration not consisting or not wholly consisting of money, its value shall be taken to be such amount in money as, with the addition of the tax chargeable, is equivalent to the consideration.]
- (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 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) above 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.
- [^{F5}(6)]

Textual Amendments

- F3** Words in s. 10(1) substituted (1.8.1992) by Finance (No. 2) Act 1992 (c. 48), s. 14(2), **Sch. 3 Pt. I para. 12(1)**; S.I. 1992/1867, art. 3, **Sch. Pt.I**.
- F4** S. 10(3) substituted (1.8.1992) by Finance (No. 2) Act 1992 (c. 48), s. 14(2), **Sch. 3 Pt. I para. 12(2)**; S.I. 1992/1867, art. 3, **Sch. Pt.I**.
- F5** S. 10(6) repealed by Finance (No. 2) Act 1992 (c. 48), s. 82, **Sch. 18 Pt.V** (by the note at the end of Pt. V of Sch. 18 it is provided that the repeals in Pt. V come into force in accordance with s. 14(3) of that 1992 Act); S.I. 1992/1867, art. 3, **Sch. Pt.I**; S.I. 1992/2979, art. 4, **Sch. Pt.II** (with art. 5); S.I. 1992/3261, **art. 3**, Sch. (with art. 4)

Modifications etc. (not altering text)

- C1** S. 10 applied by S.I. 1987/1806, **arts. 9(2), 14(2)**

VALID FROM 01/01/1993

[^{F6}10A Valuation of acquisitions from other member States.

- (1) For the purposes of this Act the value of any acquisition of goods from another member State shall be taken to be the value of the transaction in pursuance of which they are acquired.
- (2) Where goods are acquired from another member State otherwise than in pursuance of a taxable supply, the value of the transaction in pursuance of which they are acquired shall be determined for the purposes of subsection (1) above in accordance with this section and Schedule 4A to this Act, and for those purposes—

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- (a) subsections (3) to (5) below have effect subject to Schedule 4A to this Act; and
 - (b) section 10 above and Schedule 4 to this Act shall not apply in relation to the transaction.
- (3) If the transaction is for a consideration in money, its value shall be taken to be such amount as is equal to the consideration.
- (4) If the transaction is for a consideration not consisting or not wholly consisting of money, its value shall be taken to be such amount in money as is equivalent to the consideration.
- (5) Where a transaction in pursuance of which goods are acquired from another member State is not the only matter to which a consideration in money relates, the transaction shall be deemed to be for such part of the consideration as is properly attributable to it.]

Textual Amendments

F6 S. 10A inserted (1.1.1993) by Finance (No. 2) Act 1992 (c. 48), s. 14(2), **Sch. 3 Pt. I para.13**; S.I. 1992/3261, **art. 3**,Sch. (with art. 4)

11 Value of imported goods.

- (1) For the purposes of this Act, the value of imported goods shall be determined as follows.
- (2) If the goods are imported at a price in money payable as on a transfer of the property, there being no other consideration, the value is an amount equal to the price, plus (so far as not already included)—
- (a) all taxes, duties and other charges levied either outside or, by reason of importation, within the United Kingdom (except value added tax); and
 - (b) all costs by way of commission, packing, transport and insurance up to the port or place of importation.

^{F7}(3)

^{F7}(4)

Textual Amendments

F7 S. 11(3)(4) repealed by Finance (No. 2) Act 1992, c. 48, s. 82, Sch. 18 Pt.V (by the note at the end of Pt. V of Sch. 18 it is provided that the repeals in Pt. V come into force in accordance with s. 14(3) of that 1992 Act); S.I. 1992/1867, **art. 3**, **Sch. Pt.I**; S.I. 1992/2979, **art. 4**, **Sch. Pt.II** (with art. 5); S.I. 1992/3261, **art. 3**,Sch. (with art. 4)

12 Value of certain goods.

- (1) Where a person makes a supply on which tax is chargeable by applying, or causing to be applied, any treatment or process to another person's goods, then if the goods—
- (a) are not goods to which subsection (3) below applies, but

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- (b) become as a result of the treatment or process goods to which that subsection applies,
- the amount of the tax chargeable shall, subject to the following provisions of this section, be determined as if the supply had been a sale for full consideration of the goods resulting from the treatment or process.
- (2) Subsection (1) above does not apply where the person to whom the supply is made—
- (a) is registered under this Act; and
 - (b) gives to the person making the supply a certificate, in such form and containing such particulars as the Commissioners may by regulations prescribe, that the supply is for the purpose of a business carried on or to be carried on by him.
- (3) This subsection applies to aircraft of a weight of 8,000 kilogrammes or more, and hovercraft, if (in each case) they have been adapted, but were not designed, for use for recreation or pleasure.
- (4) The Treasury may by order vary subsection (3) above by adding to or deleting from it any description of goods or by varying any description of goods for the time being specified in it.
- (5) The Treasury may by order make provision for securing a reduction of the tax chargeable on supplies to which subsection (1) above applies in cases where—
- (a) tax was previously chargeable on a supply or importation of the goods to which the treatment or process is applied; and
 - (b) such other conditions are satisfied as may be specified in the order or as may be imposed by the Commissioners in pursuance of the order.
- (6) A person who applies or causes to be applied a treatment or process to another person's goods shall, if the goods satisfy the conditions of paragraphs (a) and (b) of subsection (1) above, be treated for the purposes of paragraph 2 of Schedule 2 to this Act as producing the resulting goods by applying the treatment or process, whether or not he would otherwise fall to be so treated.

13 Gaming machines.

- (1) Where a person plays a game of chance by means of a gaming machine, then for the purposes of the tax (but without prejudice to subsection (2) below) the amount paid by him to play shall be treated as the consideration for a supply of services to him.
- (2) The value to be taken as the value of supplies made in the circumstances mentioned in subsection (1) above in any period shall be determined as if the consideration for the supplies were reduced by an amount equal to the amount (if any) received in that period by persons (other than the person making the supply and persons acting on his behalf) playing successfully.
- (3) The insertion of a token into a machine shall be treated for the purposes of subsection (1) above as the payment of an amount equal to that for which the token can be obtained; and the receipt of a token by a person playing successfully shall be treated for the purposes of subsection (2) above—
 - (a) if the token is of a kind used to play the machine, as the receipt of an amount equal to that for which such a token can be obtained;
 - (b) if the token is not of such a kind but can be exchanged for money, as the receipt of an amount equal to that for which it can be exchanged.

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(4) In this section—

“game of chance” has the same meaning as in the ^{M1}Gaming Act 1968; and

“gaming machine” means a machine in respect of which the following conditions are satisfied, namely—

- (a) it is constructed or adapted for playing a game of chance by means of it; and
- (b) a player pays to play the machine (except where he has an opportunity to play payment-free as the result of having previously played successfully), either by inserting a coin or token into the machine or in some other way; and
- (c) the element of chance in the game is provided by means of the machine.

Marginal Citations

M1 1968 c. 65.

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