

## SCHEDULES

### SCHEDULE 3

#### VALUE ADDED TAX: ABOLITION OF FISCAL FRONTIERS ETC.

##### PART I

#### AMENDMENTS OF THE VALUE ADDED TAX ACT 1983 (C. 55)

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

- 11 In section 9(1) (rate of tax)—
- (a) after paragraph (a) there shall be inserted the following paragraph—
- “(aa) on the acquisition of goods from another member State, by reference to the value of the acquisition as determined under this Act; and”; and
- (b) in paragraph (b), after the word “goods”, in the first place where it occurs, there shall be inserted “from a place outside the member States”.
- 12 (1) In subsection (1) of section 10 (value of supply of goods or services), for “shall be determined as follows” there shall be substituted “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) For subsection (3) of that section (value where supply for no consideration or for consideration not or not wholly in money) there shall be substituted the following subsection—
- “(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.”
- 13 After section 10 there shall be inserted the following section—
- “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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*Status: This is the original version (as it was originally enacted).*

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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.”
- 14 (1) In subsection (1) of section 11 (value of imported goods), for the words from “imported goods” onwards there shall be substituted “goods imported from a place outside the member States shall (subject to subsections (2) and (2A) below) be determined according to the rules applicable in the case of Community customs duties, whether or not the goods in question are subject to any such duties.”
- (2) In subsection (2) of that section, for the words before paragraph (a) there shall be substituted “For the purposes of this Act the value of any goods imported from a place outside the member States shall be taken to include the following so far as they are not already included in that value in accordance with the rules mentioned in subsection (1) above, that is to say—”.
- (3) After subsection (2) of that section there shall be inserted the following subsection—
- “(2A) Subject to subsection (2) above, where—
- (a) goods are imported from a place outside the member States for a consideration which is or includes a price in money payable as on the transfer of property;
  - (b) the terms on which those goods are so imported allow a discount for prompt payment of that price;
  - (c) those terms do not include provision for payment of that price by instalments; and
  - (d) payment of that price is made in accordance with those terms so that the discount falls to be allowed,
- the value of the goods shall be taken for the purposes of this Act to be reduced by the amount of the discount.”