



Value Added Tax Act 1994

1994 CHAPTER 23

PART I

THE CHARGE TO TAX

Determination of value

19 Value of supply of goods or services.

- (1) For the purposes of this Act the value of any supply of goods or services shall, except as otherwise provided by or under this Act, be determined in accordance with this section and Schedule 6, 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 VAT chargeable, is equal to the consideration.
- (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 VAT 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.

Modifications etc. (not altering text)

C1 S. 19(5) modified (20.10.1995) by [S.I. 1995/2518](#), [reg. 77](#)

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^{F1}20 Valuation of acquisitions from other member States.

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Textual Amendments

- F1** S. 20 omitted (31.12.2020) by virtue of [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\), s. 57\(3\), Sch. 8 para. 22](#) (with [Sch. 8 para. 99](#)) (with savings and transitional provisions in [S.I. 2019/105](#) (as amended by [S.I. 2020/1495, regs. 1\(2\), 21](#)), [S.I. 2020/1545, Pt. 4](#) and [2020 c. 26, Sch. 2 para. 7\(7\)-\(9\)](#)); [S.I. 2020/1642, reg. 4\(b\)](#) (with [reg. 7](#))

21 Value of imported goods.

[^{F2}(1) For the purposes of this Act, the value of imported goods is (subject to subsections (2) to (4)) their value as if determined under TCTA 2018 for the purposes of import duty (whether or not the goods are subject to import duty).]

(2) For the purposes of this Act the value of any goods imported ^{F3}... shall [^{F4}(subject to subsection (2A) below)] 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—

- (a) all taxes, duties and other charges levied either outside or, by reason of importation, within the United Kingdom (except VAT); ^{F5}...
- [^{F6}(b) all incidental expenses, such as commission, packing, transport and insurance costs, up to the goods' first destination in the United Kingdom; and
- (c) if at the time of the importation of the goods ^{F7}... a further destination for the goods is known, and that destination is within the United Kingdom ^{F7}..., all such incidental expenses in so far as they result from the transport of the goods to that other destination;

and in this subsection “the goods' first destination” means the place mentioned on the consignment note or any other document by means of which the goods are imported into the United Kingdom, or in the absence of such documentation it means the place of the first transfer of cargo in the United Kingdom.]

[^{F8}(2A) Where—

- (a) any goods falling within subsection (5) below are sold by auction at a time when they are subject to [^{F9}the temporary admission procedure under Part 1 of TCTA 2018], and
- (b) arrangements made by or on behalf of the purchaser of the goods following the sale by auction result in the importation of the goods ^{F10}...,

the value of the goods shall not be taken for the purposes of this Act to include, in relation to that importation, any commission or premium payable to the auctioneer in connection with the sale of the goods.]

^{F11}(2B)

(3) Subject to subsection (2) above, where—

- (a) goods are imported ^{F12}... 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;

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- (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.

[^{F13}(4) [^{F14}Subject to subsection (6D) below,] For the purposes of this Act, the value of any goods falling within subsection (5) below which are imported ^{F15}... shall be taken to be an amount equal to [^{F16}25 per cent] of the amount which, apart from this subsection, would be their value for those purposes.

^{F17}[The goods that fall within this subsection are—

- (5)
 - (a) any work of art;
 - (b) any antique, not falling within paragraph (a) above or (c) below, that is more than one hundred years old;
 - (c) any collection or collector's piece that is of zoological, botanical, mineralogical, anatomical, historical, archaeological, palaeontological, ethnographic, numismatic or philatelic interest.

(6) In this section “work of art” means, subject to subsections (6A) and (6B) below—

- (a) any mounted or unmounted painting, drawing, collage, decorative plaque or similar picture that was executed by hand;
- (b) any original engraving, lithograph or other print which—
 - (i) was produced from one or more plates executed by hand by an individual who executed them without using any mechanical or photomechanical process; and
 - (ii) either is the only one produced from the plate or plates or is comprised in a limited edition;
- (c) any original sculpture or statuary, in any material;
- (d) any sculpture cast which—
 - (i) was produced by or under the supervision of the individual who made the mould or became entitled to it by succession on the death of that individual; and
 - (ii) either is the only cast produced from the mould or is comprised in a limited edition;
- (e) any tapestry or other hanging which—
 - (i) was made by hand from an original design; and
 - (ii) either is the only one made from the design or is comprised in a limited edition;
- (f) any ceramic executed by an individual and signed by him;
- (g) any enamel on copper which—
 - (i) was executed by hand;
 - (ii) is signed either by the person who executed it or by someone on behalf of the studio where it was executed;
 - (iii) either is the only one made from the design in question or is comprised in a limited edition; and
 - (iv) is not comprised in an article of jewellery or an article of a kind produced by goldsmiths or silversmiths;
- (h) any mounted or unmounted photograph which—

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- (i) was printed by or under the supervision of the photographer;
 - (ii) is signed by him; and
 - (iii) either is the only print made from the exposure in question or is comprised in a limited edition;
- (6A) The following do not fall within subsection (5) above by virtue of subsection (6)(a) above, that is to say—
 - (a) any technical drawing, map or plan;
 - (b) any picture comprised in a manufactured article that has been hand-decorated; or
 - (c) anything in the nature of scenery, including a backcloth.
- (6B) An item comprised in a limited edition shall be taken to be so comprised for the purposes of subsection (6)(d) to (h) above only if—
 - (a) in the case of sculpture casts—
 - (i) the edition is limited so that the number produced from the same mould does not exceed eight; or
 - (ii) the edition comprises a limited edition of nine or more casts made before 1st January 1989 which the Commissioners have directed should be treated, in the exceptional circumstances of the case, as a limited edition for the purposes of subsection (6)(d) above;
 - (b) in the case of tapestries and hangings, the edition is limited so that the number produced from the same design does not exceed eight;
 - (c) in the case of enamels on copper—
 - (i) the edition is limited so that the number produced from the same design does not exceed eight; and
 - (ii) each of the enamels in the edition is numbered and is signed as mentioned in subsection (6)(g)(ii) above;
 - (d) in the case of photographs—
 - (i) the edition is limited so that the number produced from the same exposure does not exceed thirty; and
 - (ii) each of the prints in the edition is numbered and is signed as mentioned in subsection (6)(h)(ii) above.
- (6C) For the purposes of this section a collector's piece is of philatelic interest if—
 - (a) it is a postage or revenue stamp, a postmark, a first-day cover or an item of pre-stamped stationery; and
 - (b) it is franked or (if unfranked) it is not legal tender and is not intended for use as such.
- (6D) Subsection (4) above does not apply in the case of [^{F18}imported goods] if—
 - (a) the whole of the VAT chargeable on their importation falls to be relieved by virtue of an order under section 37(1); or
 - (b) they were exported from the United Kingdom during the period of twelve months ending with the date of their importation [^{F19}in circumstances where the exportation and subsequent importation were effected to obtain the benefit of that subsection].]
- (7) An order under section 2(2) may contain provision making such alteration of the percentage for the time being specified in subsection (4) above as the Treasury

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consider appropriate in consequence of any increase or decrease by that order of the rate of VAT.]

Textual Amendments

- F2** S. 21(1) substituted (31.12.2020) by [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), s. 57(3), [Sch. 8 para. 23\(2\)](#) (with [Sch. 8 para. 99](#)) (with savings and transitional provisions in S.I. 2019/105 (as amended by S.I. 2020/1495, regs. 1(2), [21](#)), S.I. 2020/1545, [Pt. 4](#) and 2020 c. 26, [Sch. 2 para. 7\(7\)-\(9\)](#)); S.I. 2020/1642, [reg. 4\(b\)](#) (with [reg. 7](#))
- F3** Words in s. 21(2) omitted (31.12.2020) by virtue of [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), s. 57(3), [Sch. 8 para. 23\(3\)\(a\)](#) (with [Sch. 8 para. 99](#)) (with savings and transitional provisions in S.I. 2019/105 (as amended by S.I. 2020/1495, regs. 1(2), [21](#)), S.I. 2020/1545, [Pt. 4](#) and 2020 c. 26, [Sch. 2 para. 7\(7\)-\(9\)](#)); S.I. 2020/1642, [reg. 4\(b\)](#) (with [reg. 7](#))
- F4** Words in s. 21(2) inserted (1.9.2006) by [Finance Act 2006 \(c. 25\)](#), s. [18\(2\)\(4\)](#); S.I. 2006/2149, art. 2
- F5** Word in s. 21(2)(a) repealed (29.4.1996 with effect in relation to goods imported on or after 1.1.1996) by 1996 c. 8, ss. 27(2)(4), 205, [Sch. 41 Pt. IV\(3\)](#) Note
- F6** S. 21(2)(b)(c) substituted (29.4.1996 with effect in relation to goods imported on or after 1.1.1996) for s. 21(2)(b) by 1996 c. 8, s. [27\(3\)\(4\)](#)
- F7** Words in s. 21(2)(c) omitted (31.12.2020) by virtue of [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), s. 57(3), [Sch. 8 para. 23\(3\)\(b\)](#) (with [Sch. 8 para. 99](#)) (with savings and transitional provisions in S.I. 2019/105 (as amended by S.I. 2020/1495, regs. 1(2), [21](#)), S.I. 2020/1545, [Pt. 4](#) and 2020 c. 26, [Sch. 2 para. 7\(7\)-\(9\)](#)); S.I. 2020/1642, [reg. 4\(b\)](#) (with [reg. 7](#))
- F8** S. 21(2A)(2B) inserted (1.9.2006) by [Finance Act 2006 \(c. 25\)](#), s. [18\(3\)\(4\)](#); S.I. 2006/2149, art. 2
- F9** Words in s. 21(2A)(a) substituted (31.12.2020) by [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), s. 57(3), [Sch. 8 para. 23\(4\)\(a\)](#) (with [Sch. 8 para. 99](#)) (with savings and transitional provisions in S.I. 2019/105 (as amended by S.I. 2020/1495, regs. 1(2), [21](#)), S.I. 2020/1545, [Pt. 4](#) and 2020 c. 26, [Sch. 2 para. 7\(7\)-\(9\)](#)); S.I. 2020/1642, [reg. 4\(b\)](#) (with [reg. 7](#))
- F10** Words in s. 21(2A)(b) omitted (31.12.2020) by virtue of [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), s. 57(3), [Sch. 8 para. 23\(4\)\(b\)](#) (with [Sch. 8 para. 99](#)) (with savings and transitional provisions in S.I. 2019/105 (as amended by S.I. 2020/1495, regs. 1(2), [21](#)), S.I. 2020/1545, [Pt. 4](#) and 2020 c. 26, [Sch. 2 para. 7\(7\)-\(9\)](#)); S.I. 2020/1642, [reg. 4\(b\)](#) (with [reg. 7](#))
- F11** S. 21(2B) omitted (31.12.2020) by virtue of [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), s. 57(3), [Sch. 8 para. 23\(5\)](#) (with [Sch. 8 para. 99](#)) (with savings and transitional provisions in S.I. 2019/105 (as amended by S.I. 2020/1495, regs. 1(2), [21](#)), S.I. 2020/1545, [Pt. 4](#) and 2020 c. 26, [Sch. 2 para. 7\(7\)-\(9\)](#)); S.I. 2020/1642, [reg. 4\(b\)](#) (with [reg. 7](#))
- F12** Words in s. 21(3)(a) omitted (31.12.2020) by virtue of [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), s. 57(3), [Sch. 8 para. 23\(6\)](#) (with [Sch. 8 para. 99](#)) (with savings and transitional provisions in S.I. 2019/105 (as amended by S.I. 2020/1495, regs. 1(2), [21](#)), S.I. 2020/1545, [Pt. 4](#) and 2020 c. 26, [Sch. 2 para. 7\(7\)-\(9\)](#)); S.I. 2020/1642, [reg. 4\(b\)](#) (with [reg. 7](#))
- F13** S. 21(4)-(7) inserted (1.5.1995 with effect as mentioned in s. 22(2) of the amending Act) by 1995 c. 4, s. [22\(1\)](#)
- F14** Words in s.21(4) inserted (27.7.1999 with effect as mentioned in s. 12(3) of the amending Act) by 1999 c. 16, s. [12\(1\)\(a\)](#)
- F15** Words in s. 21(4) omitted (31.12.2020) by virtue of [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), s. 57(3), [Sch. 8 para. 23\(7\)](#) (with [Sch. 8 para. 99](#)) (with savings and transitional provisions in S.I. 2019/105 (as amended by S.I. 2020/1495, regs. 1(2), [21](#)), S.I. 2020/1545, [Pt. 4](#) and 2020 c. 26, [Sch. 2 para. 7\(7\)-\(9\)](#)); S.I. 2020/1642, [reg. 4\(b\)](#) (with [reg. 7](#))
- F16** Words in s. 21(4) substituted (27.7.2010) by [Finance \(No. 2\) Act 2010 \(c. 31\)](#), s. [3\(2\)](#)
- F17** S. 21(5)-(6D) substituted (27.7.1999 with effect as mentioned in s. 12(3) of the amending Act) for s. 21(5)(6) by 1999 c. 16, s. [12\(2\)](#)
- F18** Words in s. 21(6D) substituted (31.12.2020) by [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), s. 57(3), [Sch. 8 para. 23\(8\)](#) (with [Sch. 8 para. 99](#)) (with savings and transitional provisions in S.I.

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2019/105 (as amended by S.I. 2020/1495, regs. 1(2), **21**), S.I. 2020/1545, **Pt. 4** and 2020 c. 26, **Sch. 2 para. 7(7)–(9)**); S.I. 2020/1642, **reg. 4(b)** (with reg. 7)

F19 Words in s. 21(6D)(b) inserted (with effect in accordance with art. 17(2) of the amending S.I.) by **The Enactment of Extra-Statutory Concessions Order 2009** (S.I. 2009/730), arts. 1(1), **17(1)**

F20 **22**

Textual Amendments

F20 S. 22 repealed (29.4.1996 with application in relation to supplies made on or after 1.1.1996) by **1996 c. 8, ss. 28, 205, Sch. 41 Pt. IV(2)**

[^{F21}**23** Value of supplies involving relevant machine games

- (1) If a person plays a relevant machine game, then for the purposes of VAT the amount paid by the person is to be treated as consideration for a supply of services to that person.
- (2) “Relevant machine game” is defined in section 23A.
- (3) The value to be taken as the value of supplies made by a person (“the supplier”) in the circumstances mentioned in subsection (1) in any period is to be determined as if the consideration for the supplies were reduced by an amount equal to X.
- (4) X is the amount (if any) paid out in that period by way of winnings in respect of relevant machine games made available by the supplier (whether the games were played in the same period or an earlier one).
- (5) X does not include any winnings paid out to the supplier or a person acting on the supplier's behalf.
- (6) Inserting a token into a machine on which a relevant machine game is played is to be treated for the purposes of subsection (1) as the payment of an amount equal to that for which the token can be obtained.
- (7) Providing a specified kind of token by way of winnings is to be treated for the purposes of subsection (4) as the payment out of an amount by way of winnings equal to the value of the token.
- (8) A specified kind of token is—
 - (a) a token that can be inserted into the same machine to enable games to be played on the machine, or
 - (b) a token that is not of such a kind but can be exchanged for money.
- (9) The value of a specified kind of token is—
 - (a) for a token within subsection (8)(a), an amount equal to that for which the token can be obtained, and
 - (b) for a token within subsection (8)(b), an amount equal to that for which the token can be exchanged.
- (10) If it is not reasonably practicable to attribute payments and winnings to relevant machine games or to apportion them between relevant machine games and other

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games or other activities, any attribution or apportionment is to be done on a just and reasonable basis.

- (11) For the purposes of this section, a person plays a game if the person participates in the game—
- (a) whether or not there are other participants in the game, and
 - (b) whether or not a computer generates images or data taken to represent the actions of other participants in the game.

Textual Amendments

F21 Ss. 23, 23A substituted for s. 23 (with effect in accordance with Sch. 24 para. 66(4) of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [Sch. 24 para. 63](#)

23A Meaning of “relevant machine game”

- (1) A “relevant machine game” is a game (whether of skill or chance or both) that—
- (a) is played on a machine for a prize, and
 - (b) is not excluded by subsection (2).
- (2) A game is excluded by this subsection if—
- (a) takings and payouts in respect of it are taken into account in determining any charge to machine games duty,
 - (b) it involves betting on future real events,
 - (c) bingo duty is charged on the playing of it or would be so charged but for paragraphs 1 to 5 of Schedule 3 to the Betting and Gaming Duties Act 1981 (exemptions from bingo duty),
 - (d) lottery duty is charged on the taking of a ticket or chance in it or would be so charged but for an express exception,
 - (e) it is a real game of chance and playing it amounts to dutiable gaming for the purposes of section 10 of the Finance Act 1997 or would do so but for subsection (3), (3B) or (4) of that section, or
 - (f) playing it amounts to remote gaming within the meaning of [^{F22}section 154(1) of the Finance Act 2014 (meaning of remote gaming)].
- (3) In this section—
- “game” does not include a sport;
 - “machine” means any apparatus that uses or applies mechanical power, electrical power or both;
 - “prize”, in relation to a game, does not include the opportunity to play the game again;
 - “real game of chance” means a game of chance (within the meaning of [^{F23}Part 3 of the Finance Act 2014 (see section 188(1)(b))]) that is non-virtual.
- (4) The Treasury may by order amend this section.]

Textual Amendments

F21 Ss. 23, 23A substituted for s. 23 (with effect in accordance with Sch. 24 para. 66(4) of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [Sch. 24 para. 63](#)

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| <p>F22 Words in s. 23A(2)(f) substituted (1.12.2014) by Finance Act 2014 (c. 26), s. 198(2)(c), Sch. 28 para. 19(2) (with Sch. 29)</p> <p>F23 Words in s. 23A(3) substituted (1.12.2014) by Finance Act 2014 (c. 26), s. 198(2)(c), Sch. 28 para. 19(3) (with Sch. 29)</p> |
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