

Changes to legislation: There are currently no known outstanding effects for the Value Added Tax Act 1994, Group 2 — Insurance. (See end of Document for details)

SCHEDULES

SCHEDULE 9

EXEMPTIONS

PART II

THE GROUPS

Modifications etc. (not altering text)

- C1** Sch. 9 Pt. 2 applied by S.I. 1995/2518, reg. 84(5) (as substituted (with effect in accordance with reg. 1(3) of the amending S.I.) by [Value Added Tax \(Amendment\) \(No.2\) Regulations 2003 \(S.I. 2003/1069\)](#), regs. 1(1), 9)

[^{F1}GROUP 2 — INSURANCE]

Textual Amendments

- F1** Sch. 9 Pt. 2 Group 2 substituted (19.3.1997 with effect as mentioned in [s. 38\(2\)](#) of the amending Act) by [1997 c. 16, s. 38\(1\)\(2\)](#)

[^{F2} Insurance transactions and reinsurance transactions.]

Textual Amendments

- F2** Sch. 9 Pt. 2 Group 2 item 1 substituted for Sch. 9 Pt. 2 Group 2 items 1-3 (1.1.2005) by [The Value Added Tax \(Insurance\) Order 2004 \(S.I. 2004/3083\)](#), arts. 1, 3

- ^{F3}4 The provision by an insurance broker or insurance agent of any of the services of an insurance intermediary in a case in which those services—
- (a) are related (whether or not [^{F4}a contract of insurance][^{F5}or reinsurance] is finally concluded) to [^{F6}an insurance transaction or a reinsurance transaction]; and
 - (b) are provided by that broker or agent in the course of his acting in an intermediary capacity.

Textual Amendments

- F3** Sch. 9 Pt. II Group 2 substituted (19.3.1997 with effect as mentioned in [s. 38\(2\)](#) of the amending Act) by [1997 c. 16, s. 38\(1\)\(2\)](#)
- F4** Words in Sch. 9 Group 2 item 4(a) substituted (1.12.2001) by [S.I. 2001/3649](#), arts. 1, 347(4)

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- F5** Words in in Sch. 9 Pt. 2 Group 2 item 4 inserted (1.1.2005) by [The Value Added Tax \(Insurance\) Order 2004 \(S.I. 2004/3083\)](#), arts. 1, **4(a)**
- F6** Words in Sch. 9 Pt. 2 Group 2 item 4 substituted (1.1.2005) by [The Value Added Tax \(Insurance\) Order 2004 \(S.I. 2004/3083\)](#), arts. 1, **4(b)**

^{F7}Notes:

^{F8}(A1)

^{F8}(B1)

^{F8}(C1)

- (1) For the purposes of item 4 services are services of an insurance intermediary if they fall within any of the following paragraphs—
 - (a) the bringing together, with a view to the insurance or reinsurance of risks, of—
 - (i) persons who are or may be seeking insurance or reinsurance, and
 - (ii) persons who provide insurance or reinsurance;
 - (b) the carrying out of work preparatory to the conclusion of contracts of insurance or reinsurance;
 - (c) the provision of assistance in the administration and performance of such contracts, including the handling of claims;
 - (d) the collection of premiums.
- (2) For the purposes of item 4 an insurance broker or insurance agent is acting “in an intermediary capacity” wherever he is acting as an intermediary, or one of the intermediaries, between—
 - (a) a person who provides [^{F9}insurance or reinsurance], and
 - (b) a person who is or may be seeking insurance or reinsurance or is an insured person.
- (3) Where—
 - (a) a person (“the supplier”) makes a supply of goods or services to another (“the customer”),
 - (b) the supply of the goods or services is a taxable supply and is not a zero-rated supply,
 - (c) a transaction under which insurance is to be or may be arranged for the customer is entered into in connection with the supply of the goods or services,
 - (d) a supply of services which are related (whether or not a contract of insurance is finally concluded) to the provision of insurance in pursuance of that transaction is made by—
 - (i) the person by whom the supply of the goods or services is made, or
 - (ii) a person who is connected with that person and, in connection with the provision of that insurance, deals directly with the customer,

and
 - (e) the related services do not consist in the handling of claims under the contract for that insurance,

those related services do not fall within item 4 unless the relevant requirements are fulfilled.

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- (4) For the purposes of Note (3) the relevant requirements are—
- (a) that a document containing the statements specified in Note (5) is prepared;
 - (b) that the matters that must be stated in the document have been disclosed to the customer at or before the time when the transaction mentioned in Note (3)(c) is entered into; and
 - (c) that there is compliance with all such requirements (if any) as to—
 - (i) the preparation and form of the document,
 - (ii) the manner of disclosing to the customer the matters that must be stated in the document, and
 - (iii) the delivery of a copy of the document to the customer,as may be set out in a notice that has been published by the Commissioners and has not been withdrawn.
- (5) The statements referred to in Note (4) are—
- (a) a statement setting out the amount of the premium under any contract of insurance that is to be or may be entered into in pursuance of the transaction in question; and
 - (b) a statement setting out every amount that the customer is, is to be or has been required to pay, otherwise than by way of such a premium, in connection with that transaction or anything that is to be, may be or has been done in pursuance of that transaction.
- (6) For the purposes of Note (3) any question whether a person is connected with another shall be determined in accordance with [F¹⁰section 1122 of the Corporation Tax Act 2010].
- (7) Item 4 does not include—
- (a) the supply of any market research, product design, advertising, promotional or similar services; or
 - (b) the collection, collation and provision of information for use in connection with market research, product design, advertising, promotional or similar activities.
- (8) Item 4 does not include the supply of any valuation or inspection services.
- (9) Item 4 does not include the supply of any services by loss adjusters, average adjusters, motor assessors, surveyors or other experts except where—
- (a) the services consist in the handling of a claim under a contract of insurance or reinsurance;
 - (b) the person handling the claim is authorised when doing so to act on behalf of the insurer or reinsurer; and
 - (c) that person's authority so to act includes written authority to determine whether to accept or reject the claim and, where accepting it in whole or in part, to settle the amount to be paid on the claim.
- (10) Item 4 does not include the supply of any services which—
- (a) are supplied in pursuance of a contract of insurance or reinsurance or of any arrangements made in connection with such a contract; and
 - (b) are so supplied either—
 - (i) instead of the payment of the whole or any part of any indemnity for which the contract provides, or

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- (ii) for the purpose, in any other manner, of satisfying any claim under that contract, whether in whole or in part.

Textual Amendments

- F8** Words in Sch. 9 Pt. 2 Group 2 omitted (1.1.2005) by virtue of [The Value Added Tax \(Insurance\) Order 2004 \(S.I. 2004/3083\)](#), arts. 1, **5**
- F9** Words in Sch. 9 Pt. 2 Group 2 substituted (1.1.2005) by [The Value Added Tax \(Insurance\) Order 2004 \(S.I. 2004/3083\)](#), arts. 1, **6**
- F10** Words in Sch. 9 Pt. 2 Group 2 note (6) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 1 para. 285(e)(i)** (with Sch. 2)

Textual Amendments

- F7** Sch. 9 Pt. II group 2 substituted (19.3.1997 with effect as mentioned in [s. 38\(2\)](#) of the amending Act) by [1997 c. 16](#), **s. 38(1)(2)**
- F8** Words in Sch. 9 Pt. 2 Group 2 omitted (1.1.2005) by virtue of [The Value Added Tax \(Insurance\) Order 2004 \(S.I. 2004/3083\)](#), arts. 1, **5**
- F9** Words in Sch. 9 Pt. 2 Group 2 substituted (1.1.2005) by [The Value Added Tax \(Insurance\) Order 2004 \(S.I. 2004/3083\)](#), arts. 1, **6**
- F10** Words in Sch. 9 Pt. 2 Group 2 note (6) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 1 para. 285(e)(i)** (with Sch. 2)

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