



Value Added Tax Act 1994

1994 CHAPTER 23

PART III

APPLICATION OF ACT IN PARTICULAR CASES

55 Customers to account for tax on supplies of gold etc.

[(1) Where any person makes a supply of gold to another person and that supply is a taxable supply but not a zero rated supply, the supply shall be treated for purposes of [^{F1}Schedules 1 and 1A] —

- (a) as a taxable supply of that other person (as well as a taxable supply of the person who makes it); and
- (b) in so far as that other person is supplied in connection with the carrying on by him of any business, as a supply made by him in the course or furtherance of that business;

but nothing in paragraph (b) above shall require any supply to be disregarded for the purposes of [^{F2}Schedule 1] on the grounds that it is a supply of capital assets of that other person's business.

(2) Where a taxable person makes a supply of gold to a person who—

- (a) is himself a taxable person at the time when the supply is made; and
- (b) is supplied in connection with the carrying on by him of any business,

it shall be for the person supplied, on the supplier's behalf, to account for and pay tax on the supply, and not for the supplier.

(3) So much of this Act and of any other enactment or any subordinate legislation as has effect for the purposes of, or in connection with, the enforcement of any obligation to account for and pay VAT shall apply for the purposes of this section in relation to any person who is required under subsection (2) above to account for and pay any VAT as if that VAT were VAT on a supply made by him.

(4) Section 6(4) to (10) shall not apply for determining when any supply of gold is to be treated as taking place.]

Changes to legislation: There are currently no known outstanding effects for the Value Added Tax Act 1994, Section 55. (See end of Document for details)

- (5) References in this section to a supply of gold are references to—
- [^{F3}(a) any supply of goods consisting in fine gold, in gold grain of any purity or in gold coins of any purity; or]. . .
 - (b) any supply of goods containing gold where the consideration for the supply (apart from any VAT) is, or is equivalent to, an amount which does not exceed, or exceeds by no more than a negligible amount, the open market value of the gold contained in the goods [^{F4}; or.
 - (c) any supply of services consisting in the application to another person's goods of a treatment or process which produces goods a supply of which would fall within paragraph (a) above.]
- (6) The Treasury may by order provide for this section to apply, as it applies to the supplies specified in subsection (5) above, to such other supplies of—
- (a) goods consisting in or containing any precious or semi-precious metal or stones; or
 - (b) services relating to, or to anything containing, any precious or semi-precious metal or stones,
- as may be specified or described in the order.

Textual Amendments

- F1** Words in s. 55(1) substituted (with effect in accordance with [Sch. 28 para. 19](#) of the amending Act) by [Finance Act 2012 \(c. 14\), Sch. 28 para. 5\(a\)](#)
- F2** Words in s. 55(1) substituted (with effect in accordance with [Sch. 28 para. 19](#) of the amending Act) by [Finance Act 2012 \(c. 14\), Sch. 28 para. 5\(b\)](#)
- F3** S. 55(5)(a) substituted (29.4.1996 with application in relation to any supply after 28.11.1995) by [1996 c. 8, s. 32\(1\)\(2\)](#)
- F4** S. 55(5)(c) inserted (29.4.1996 with application to supplies made on or after 1.1.1996) by [1996 c. 8, s. 29\(3\)\(5\)](#)

Modifications etc. (not altering text)

- C1** S. 55(1)-(4) applied (1.1.2000) by [S.I. 1999/3116, art. 4](#)
- C2** S. 55(2) excluded (1.1.2000) by [S.I. 1973/173, art. 7](#) (as added (1.1.2000) by [S.I. 1999/3117, art. 8](#))

Changes to legislation:

There are currently no known outstanding effects for the Value Added Tax Act 1994, Section 55.