
Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2010,
Cross Heading: Grant of right spanning the date of the VAT change. (See end of Document for details)

SCHEDULES

SCHEDULE 2

SUPPLEMENTARY CHARGE TO VAT

PART 1

SUPPLEMENTARY CHARGE TO VAT

Grant of right spanning the date of the VAT change

- 3 (1) For the purposes of this Schedule, a supply consisting of the grant by a person (“the grantor”) of a right to goods or services spans the date of the VAT change where—
- (a) that supply is treated as taking place before the date of the VAT change,
 - (b) the goods or services are to be supplied at a discount or free of charge, and
 - (c) the basic time of supply for the supply of some or all of the goods or services (see paragraph 4) is on or after the date of the VAT change.
- (2) In relation to the grant of the right, the relevant conditions are conditions A to C.
- (3) Condition A is that the grantor and the person to whom the right is granted are connected with each other at any time in the period—
- (a) beginning with the day on which the supply consisting of the grant of the right is treated as taking place, and
 - (b) ending on the date of the VAT change or, if the right is exercised (entirely or partly) on a later date, that date (or, if more than one, the first of those dates).
- (4) Paragraph 5 modifies condition A in cases involving a series of supplies.
- (5) Condition B is that the aggregate of the following is more than £100,000—
- (a) the relevant consideration for the grant of the right, and
 - (b) the relevant consideration for every related supply of goods or services (including every related grant of a right to goods or services) that spans the date of the VAT change (see paragraph 6).
- (6) Condition C is that the payment made in respect of the grant of the right is financed by the grantor or a person connected with the grantor (see paragraph 7).
- (7) In this Schedule references to a right to goods or services include—
- (a) any right or option with respect to such goods or services, and
 - (b) any interest deriving from such a right or option.

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