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STATUTORY INSTRUMENTS

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**1989 No. 472**

**VALUE ADDED TAX**

**The Value Added Tax (Self-supply of  
Construction Services) Order 1989**

<i>Made</i>	- - - -	<i>14th March 1989</i>
<i>Laid before the House</i>		<i>14th March 1989</i>
<i>Coming into force</i>	- -	<i>1st April 1989</i>

The Treasury, in exercise of the powers conferred on them by sections 3(6) and (8) and 29(2) of the Value Added Tax Act 1983<sup>(1)</sup> and of all other powers enabling them in that behalf, hereby make the following Order:

1. This Order may be cited as the Value Added Tax (Self-supply of Construction Services) Order 1989 and shall come into force on 1st April 1989.

2. In this Order “the Act” means the Value Added Tax Act 1983.

3.—(1) Where a person, in the course or furtherance of a business carried on by him, for the purpose of that business and otherwise than for a consideration, performs any of the following services, that is to say—

- (a) the construction of a building; or
- (b) the extension or other alteration of, or the construction of an annexe to, any building such that additional floor area of not less than 10 per cent of the floor area of the original building is created; or
- (c) the construction of any civil engineering work; or
- (d) in connection with any such services as are described in sub-paragraph (a), (b) or (c) above, the carrying out of any demolition work contemporaneously with or preparatory thereto,

then, subject to each of the conditions specified in paragraph (2) below being satisfied, those services shall be treated for the purposes of the Act as both supplied to him for the purpose of that business and supplied by him in the course or furtherance of it.

(2) The conditions mentioned in paragraph (1) above are that—

- (a) the value of such services is not less than £100,000; and

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*Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.*

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(b) such services would, if supplied for a consideration in the course or furtherance of a business carried on by a taxable person, be chargeable to tax at a rate other than nil.

(3) The preceding provisions of this article shall apply in relation to any bodies corporate which are treated for the purposes of section 29 of the Act as members of a group as if those bodies were one person, but anything done which would fall to be treated by virtue of this Order as services supplied to and by that person shall be treated as supplied to and by the representative member.

4.—(1) The value of any supply of services which is to be treated as taking place by virtue of this Order is the open market value of such services.

(2) Where any services of a description specified in article 3(1) above are in the process of being performed on the day this Order comes into force, the value of such services for the purposes of this Order shall be the value of such part of those services as are performed on or after that day.

*Kenneth Carlisle*

*Alan Howarth*

Two of the Lords Commissioners of Her  
Majesty's Treasury

14th March 1989

## **EXPLANATORY NOTE**

*(This note is not part of the Order)*

This Order provides for value added tax to be chargeable where a person performs for himself the construction services specified in the Order which—

- (a) are of a value of not less than £100,000, and
- (b) would be chargeable to tax at the standard rate if performed for a consideration.