
STATUTORY INSTRUMENTS

1992 No. 3121

VALUE ADDED TAX

The Value Added Tax (Place of Supply of Services) Order 1992

Made - - - - *9th December 1992*
Laid before the House of
Commons - - - - *11th December 1992*
Coming into force - - *1st January 1993*

The Treasury, in exercise of the powers conferred on them by section 6(6) of the Value Added Tax Act 1983(1) and of all other powers enabling them in that behalf, hereby make the following Order:

PART I
PRELIMINARY

Citation and commencement

1. This Order may be cited as the Value Added Tax (Place of Supply of Services) Order 1992 and shall come into force on 1st January 1993.

Interpretation

2. In this Order—

“the Act” means the Value Added Tax Act 1983;

“ancillary transport services” means loading, unloading, handling and similar activities;

“intra-Community transport of goods” means the transportation of goods which begins in one member State and ends in a different member State;

“pleasure cruise” includes a cruise wholly or partly for the purposes of education or training;

“registration number” means an identifying number assigned to a person by a member State for the purposes of value added tax in that member State.

(1) 1983 c. 55; section 6(6) was amended by section 14(2) of and paragraph 7(6) of Schedule 3 to the Finance (No. 2) Act 1992 (c. 48).

Revocation

3. The Value Added Tax (Place of Supply) Order 1984(2) is hereby revoked.

PART II

RULES FOR DETERMINING PLACE OF SUPPLY OF SERVICES

4. The rules for determining where a supply of goods or of services is made shall be varied in accordance with the following provisions of this Order.

Services relating to land

5. Where a supply of services consists of—
 - (a) the grant, assignment or surrender of—
 - (i) any interest in or right over land;
 - (ii) a personal right to call for or be granted any interest in or right over land; or
 - (iii) a licence to occupy land or any other contractual right exercisable over or in relation to land;
 - (b) any works of construction, demolition, conversion, reconstruction, alteration, enlargement, repair or maintenance of a building or civil engineering work;
 - (c) services such as are supplied by estate agents, auctioneers, architects, surveyors, engineers and others involved in matters relating to land,

it shall be treated as made where the land in connection with which the supply is made is situated.

Transport

6. Subject to articles 7 and 10 below, services consisting of the transportation of passengers or goods shall be treated as supplied in the country in which the transportation takes place, and only to the extent that it takes place in that country.

7. For the purposes of article 6 above, there shall be treated as taking place wholly in a country any transportation which takes place partly outside the territorial jurisdiction of that country where—

- (a) it takes place in the course of a journey between two points in that country, whether or not as part of a longer journey involving travel to or from another country; and
- (b) the means of transport used does not put in or land in another country in the course of the journey between those two points.

8. Any—

- (a) goods or services provided as part of a pleasure cruise; or
- (b) services consisting of the transportation of any luggage or motor vehicle accompanying (in either case) a passenger,

shall be treated as supplied in the same place as the transportation of the passenger is treated as supplied (whether or not they would otherwise be treated as supplied separately); and, for the purpose of this article, a pleasure cruise shall be treated as the transportation of passengers.

9. Subject to article 14 below, where a supply consists of ancillary transport services, it shall be treated as made where those services are physically performed.

10. Subject to article 14 below, where a supply of services consists of the intra-Community transport of goods, it shall be treated as made in the member State in which the transportation of the goods begins.

Services of intermediaries

11. Subject to article 14 below, where services consist of the making of arrangements for the intra-Community transport of goods or of any other activity intended to facilitate the making of such a supply, they shall be treated as supplied in the member State where the transportation of the goods begins.

12. Subject to article 14 below, where services consist of the making of arrangements for the supply by or to another person of ancillary transport services in connection with the intra-Community transport of goods or of any other activity intended to facilitate the making of such a supply, they shall be treated as supplied in the member State where the ancillary transport services are physically performed.

13. Subject to article 14 below, where services consist of the making of arrangements for a supply by or to another person or of any other activity intended to facilitate the making of such a supply, being a supply which is not of a description within articles 9 or 10 above or 16 below, those services shall be treated as supplied in the same place as the supply by or to that other person is treated as made.

Use of customer's registration number

14. Where a supply of services—

- (a) falls within articles 10 to 13 above; or
- (b) consists of ancillary transport services provided in connection with the intra-Community transport of goods,

and the recipient of those services makes use, for the purpose of the supply, of a registration number, then, notwithstanding any provision of this Order to the contrary, the supply shall be treated as made in the member State which issued the registration number if, and only if, the supply would otherwise be treated as taking place in a different member State.

Services supplied where performed

15. Where a supply of services consists of—

- (a) cultural, artistic, sporting, scientific, educational or entertainment services;
- (b) services relating to exhibitions, conferences or meetings;
- (c) services ancillary to, including those of organising, any supply of a description within paragraph (a) or (b) above;
- (d) the valuation of, or work carried out on, any goods,

it shall be treated as made where the services are physically carried out.

Services supplied where received

16. Where a supply consists of any services of a description specified in any of paragraphs 1 to 7 of Schedule 3 to the Act(3), and the recipient of that supply—

- (a) belongs in a country, other than the Isle of Man, which is not a member State; or

(3) Schedule 3 was amended by S.I. [1985/799](#).

- (b) is a person who belongs in a member State, but in a country other than that in which the supplier belongs, and who—
- (i) receives the supply for the purpose of a business carried on by him;
 - (ii) has been assigned a registration number by the member State in which he belongs; and
 - (iii) is not treated as having himself supplied the services by virtue of section 7 of the Act⁽⁴⁾,
- it shall be treated as made where the recipient belongs.

Hire of means of transport

17. Where a supply of services consists of the letting on hire of any means of transport and those services would be treated, apart from this article, as supplied in the United Kingdom, they shall not be treated as supplied in the United Kingdom if the effective use and enjoyment of the means of transport during the period of hire takes place outside the member States.

18. Where a supply of services consists of the letting on hire of any means of transport and those services would be treated, apart from this article, as supplied in a place outside the member States, they shall be treated as supplied in the United Kingdom if the effective use and enjoyment of the means of transport during the period of hire takes place in the United Kingdom.

*Irvine Patnick
Tim Boswell*

Two of the Lords Commissioners of Her
Majesty's Treasury

9th December 1992

(4) Section 7 was amended by paragraph 1 of Schedule 2 to the Finance Act 1987 (c. 16).

EXPLANATORY NOTE

(This note is not part of the Order)

This Order introduces, with effect from 1st January 1993, place of supply rules for specified services. It implements Articles 9(2) and 9(3) of EC Directive [77/388/EEC](#) (OJ L145, 13.6.77, p.1), as amended by Articles 28bC, D and E of EC Directive [91/680/EEC](#) (OJ L376, 31.12.91, p.1).

Article 3 of the Order revokes the Value Added Tax (Place of Supply) Order 1984.

Article 5 specifies the place of supply of services relating to land.

Articles 6 to 10 specify the place of supply of transport and associated services.

Articles 11 to 13 specify the place of supply of the services of intermediaries.

Article 14 specifies the place of supply of certain services when the recipient of those services makes use for this purpose of a registration number issued to him by a member State.

Article 15 specifies certain services the place of supply of which is where they are physically performed.

Article 16 specifies the place of supply of services described in paragraphs 1 to 7 of Schedule 3 to the Value Added Tax Act 1983.

Article 17 varies the normal place of supply rule (which is where the supplier belongs) for the letting on hire of means of transport by a United Kingdom supplier where the effective use or enjoyment during the period of hire is outside the Community.

Article 18 varies the normal place of supply of the letting on hire of means of transport by a supplier from outside the Community where the effective use or enjoyment during the period of hire is in the United Kingdom.