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STATUTORY INSTRUMENTS

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**1992 No. 630**

**VALUE ADDED TAX**

**The Value Added Tax (Treatment of Transactions) Order 1992**

<i>Made</i>	- - - -	<i>10th March 1992</i>
<i>Laid before the House of Commons</i>	- - - -	<i>10th March 1992</i>
<i>Coming into force</i>	- -	<i>1st April 1992</i>

The Treasury, in exercise of the powers conferred on them by section 3(3) of the Value Added Tax Act 1983(1) 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 (Treatment of Transactions) Order 1992 and shall come into force on 1st April 1992.

**Commencement Information**

**I1** Art. 1 in force at 1.4.1992, see [art. 1](#)

2. Where an employer gives an employee a choice between—
- (a) a particular rate of wages, salary or emoluments, or
  - (b) in the alternative a lower rate of wages, salary or emoluments and, in addition, the right to the private use of a motor car provided by the employer,

and the employee chooses the alternative described in paragraph (b) above, then the provision to the employee of the right to use the motor car privately shall be treated as neither a supply of goods nor a supply of services (if it otherwise would be) to the extent only that the consideration for the provision of the motor car for the employee's private use is the difference between the wages, salary or emoluments available to him under paragraphs (a) and (b) of this article.

**Commencement Information**

**I2** Art. 2 in force at 1.4.1992, see [art. 1](#)

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**Changes to legislation:** *There are outstanding changes not yet made by the legislation.gov.uk editorial team to The Value Added Tax (Treatment of Transactions) Order 1992. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)*

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10th March 1992

*Gregory Knight*  
*Thomas Sackville*  
Two of the Lords Commissioners of Her  
Majesty's Treasury

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## EXPLANATORY NOTE

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

The effect of this Order is that value added tax will no longer be levied in respect of amounts of salary, wages or other emoluments forgone by employees in return for the right to the private use of a motor car provided by their employer.

This Order has no effect in relation to supplies for which the consideration is in a form other than a salary sacrifice.

**Changes to legislation:**

There are outstanding changes not yet made by the legislation.gov.uk editorial team to The Value Added Tax (Treatment of Transactions) Order 1992. Any changes that have already been made by the team appear in the content and are referenced with annotations.

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**Changes and effects yet to be applied to the whole Instrument associated Parts and Chapters:**

- [Order revoked by S.I. 2021/1023 art. 3](#)