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STATUTORY INSTRUMENTS

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**1997 No. 1523**

**The Value Added Tax (Reverse Charge) (Anti-avoidance) Order 1997**

**Value of relevant telecommunications services supplied by virtue of a right**

**8.—(1)** For the purposes of paragraph 8 of Schedule 6 to the Act and article 7 above, where the circumstances mentioned in paragraph (3) below apply, the consideration for which the relevant telecommunications services were in fact supplied shall be deemed to be the higher of—

- (a) the consideration for which the services were in fact received; and
- (b) the lower of—
  - (i) the open market value of the relevant telecommunications services which were in fact supplied which shall be valued as if they had not been supplied by virtue of the right; and
  - (ii) the amount determined in accordance with paragraph (2) below.

(2) The amount referred to in paragraph (1)(b)(ii) above is the sum of—

- (a) the consideration for which the relevant telecommunications services were in fact supplied; and
- (b) the consideration for the right to those services,

reduced by the open market value of the right to the relevant telecommunications services which shall be valued as if the right was a right to those services to be supplied at the open market value for those services determined in accordance with paragraph (1)(b)(i) above.

(3) The circumstances referred to in paragraph (1) above are that—

- (a) there is a supply of relevant telecommunications services by virtue of a right; and
- (b) the consideration for the relevant telecommunications services which were in fact supplied is less than the open market value of those services which shall be valued as if they had not been supplied by virtue of the right.