

**2003 No. 1569**

**VALUE ADDED TAX**

**The Value Added Tax (Finance) (No. 2) Order 2003**

*Made - - - - - 16th June 2003*

*Laid before the House of  
Commons - - - - - 16th June 2003*

*Coming into force in accordance with article 1*

The Treasury, in exercise of the powers conferred on them by sections 31(2) and 96(9) of the Value Added Tax Act 1994(a) 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 (Finance) (No. 2) Order 2003 and shall apply in relation to any services performed on or after 1st August 2003.
2. Group 5 of Schedule 9 to the Value Added Tax Act 1994(b) is varied as follows:
  - (a) after item 2 insert—

“2A The management of credit by the person granting it.”;
  - (b) in item 9 omit “by the operator of the scheme”;
  - (c) for item 10 substitute “The management of the scheme property of an open-ended investment company.”;
  - (d) omit Note (2A);
  - (e) in Note (5A) omit everything after “receive financial services”;
  - (f) in Note (6) omit the definition of “operator”;
  - (g) omit Note (7);
  - (h) in Note (8) omit “and Note (7)”;
  - (i) omit Note (9).

16th June 2003

*Nick Ainger*  
*John Heppell*  
Two of the Lords Commissioners of Her Majesty’s Treasury

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(a) 1994 c. 23.

(b) Group 5 was varied by S.I. 1997/510, S.I. 1999/594 and S.I. 2001/3649.

## EXPLANATORY NOTE

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

This Order, together with the Value Added Tax (Finance) Order 2003, applies to services performed on or after 1st August 2003. It amends Group 5 of Schedule 9 (exempt financial services) to the Value Added Tax Act 1994 to clarify the scope of the Group following recent litigation. The amendments in Article 2(a) to (c) complement, and form a package with, the amendments made to credit management services in the Value Added Tax (Finance) Order 2003.

The amendments set out in Article 2(d) to (i) redefine the scope of the exemption for services consisting of the management of authorised unit trust schemes, trust based schemes (item 9) and open-ended investment companies (item 10) so as to make it clear that such services are exempt even when supplied by third parties. Previously the exemption only extended to management services supplied by the operators of such schemes or by the authorised corporate director of an open-ended investment company.

£1.50

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under the authority and superintendence of Carol Tullo, Controller of  
Her Majesty's Stationery Office and Queen's Printer of Acts of Parliament.  
E0493 6/2003 130493 19585

ISBN 0-11-046583-0



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