
STATUTORY INSTRUMENTS

2004 No. 3083

VALUE ADDED TAX

The Value Added Tax (Insurance) Order 2004

Made - - - - 24th November 2004
Laid before the House of
Commons - - - - 24th November 2004
Coming into force - - 1st January 2005

The Treasury, in exercise of the powers conferred upon them by section 31(2) of the Value Added Tax Act 1994⁽¹⁾, hereby make the following Order:

1. This Order may be cited as the Value Added Tax (Insurance) Order 2004 and comes into force on 1st January 2005.
2. Group 2 (insurance)⁽²⁾ of Schedule 9 to the Value Added Tax Act 1994 (exemptions) is varied in accordance with the following articles.
3. For items 1 to 3 substitute —
 “1. Insurance transactions and reinsurance transactions.”
4. In item 4(a) —
 - (a) after “a contract of insurance” insert “or reinsurance”, and
 - (b) for “any such provision of insurance or reinsurance as falls, or would fall, within item 1, 2 or 3” substitute “an insurance transaction or a reinsurance transaction”.
5. Omit Notes (A1) to (C1).
6. In Note (2)(a), for “any insurance or reinsurance the provision of which falls within item 1, 2 or 3” substitute “insurance or reinsurance”.

⁽¹⁾ 1994 c. 23.

⁽²⁾ Group 2 was substituted by section 38 of the Finance Act 1997 (c. 16) and relevant amendments were made to it by article 347 of S.I.2001/3649.

Status: This is the original version (as it was originally made).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

24th November 2004

Jim Murphy
Derek Twigg
Two of the Lords Commissioners of Her
Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

This Order, which comes into force on 1st January 2005, amends Group 2 of Schedule 9 to the Value Added Tax Act 1994 (c. 23), which exempts insurance from VAT.

Article 3 substitutes a new item 1 in Group 2 which removes the condition that VAT exemption for insurance and reinsurance transactions depends on the status of the provider. It also deletes items 2 and 3 which are no longer required, as they exempted insurance provided by specific persons or entities which is now exempted by the new item 1.

Articles 4 and 6 make consequential amendments to the cross-references to former items 1, 2 and 3 in item 4(a) and Note 2(a).

Article 5 deletes Notes (A1), (B1) and C1) which defined terms in the former items 1, 2 and 3 which no longer appear in the Group. It also means that a contract of insurance (now amended to “contract of insurance or reinsurance”) in item 4(a) is no longer defined by reference to the Financial Services and Markets Act 2000 (c. 8).

A full regulatory impact assessment has not been produced for this instrument as it has negligible impact on the costs of business, charities or voluntary bodies.