
STATUTORY INSTRUMENTS

2004 No. 3140

The Value Added Tax (Amendment) (No. 4) Regulations 2004

PART 3

PARTIAL EXEMPTION

7. In regulation 103, delete “(1)” and paragraphs (2) and (3).
8. After regulation 103A insert—

“Attribution of input tax incurred on services and related goods used to make financial supplies

103B.—(1) This regulation applies to a taxable person who incurs input tax in the circumstances specified in paragraph (2) below.

(2) Where—

- (a) input tax has been incurred by a taxable person in any prescribed accounting period on supplies to him of any of the services specified in paragraph (4) below and of any related goods, and
- (b) those services and related goods are used or to be used by the taxable person in making both a relevant supply and any other supply, and
- (c) the relevant supply is incidental to one or more of the taxable person’s business activities,

that input tax shall be attributed to taxable supplies to the extent that the services or related goods are so used or to be used expressed as a proportion of the whole use or intended use, notwithstanding any provision of any input tax attribution method that the taxable person is required or allowed to use which purports to have the contrary effect.

(3) In this regulation—

- (a) “relevant supply” means a supply of a description falling within item 1 or 6 of Group 5 of Schedule 9 to the Act and any supply of the same description which is made in another member State; and
- (b) “taxable supplies” includes supplies of a description falling within regulation 103.

(4) The services referred to in paragraph (2)(a) above are services supplied by—

- (a) accountants;
- (b) advertising agencies;
- (c) bodies which provide listing and registration services;
- (d) financial advisers;
- (e) lawyers;
- (f) marketing consultants;
- (g) persons who prepare and design documentation; and

(h) any person or body which provides similar services to those specified in subparagraphs (a) to (g) above.”.

9. In regulation 99(1)(a), for “103 or 103A” substitute “103, 103A or 103B”.
10. In regulation 101(1), after “102” insert “and 103B”.
11. In regulation 102(1), for “regulation 103” substitute “regulations 103, 103A and 103B”.
12. In regulation 106(3), after “103A” insert “, 103B”.
13. In regulation 106A(2) and (3), for “and 103A” substitute “, 103A and 103B”.
- 14.—(1) In regulation 110(1), before “108” insert “103B,”.
- (2) In regulation 110(1)(b), for “103(1)” substitute “103”.
- (3) In regulation 110(4), for “regulation 103” substitute “regulations 103 and 103B”.