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STATUTORY INSTRUMENTS

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**2010 No. 2925**

**VALUE ADDED TAX**

**The Value Added Tax (Removal of Gas,  
Electricity, Heat and Cooling) Order 2010**

<i>Made</i>	- - - -	<i>8th December 2010</i>
<i>Laid before the House of Commons</i>	- - - -	<i>9th December 2010</i>
<i>Coming into force</i>	- -	<i>1st January 2011</i>

The Treasury, in exercise of the powers conferred by section 5(3) of the Value Added Tax Act 1994<sup>M1</sup>, make the following Order:

**Marginal Citations**

M1 [1994 c. 23.](#)

**Citation, commencement and effect**

1.—(1) This Order may be cited as the Value Added Tax (Removal of Gas, Electricity, Heat and Cooling) Order 2010.

(2) This Order comes into force on 1st January 2011 and has effect in relation to supplies made on or after that date.

**Revocation of the Value Added Tax (Removal of Gas and Electricity) Order 2004**

2. The Value Added Tax (Removal of Gas and Electricity) Order 2004<sup>M2</sup> is revoked.

**Marginal Citations**

M2 [S.I. 2004/3150.](#)

**The application of paragraph 6(1) of Schedule 4 to the Value Added Tax Act 1994**

3. Paragraph 6(1) of Schedule 4 (matters to be treated as supply of goods or services) to the Value Added Tax Act 1994 shall not apply to the removal of—

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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 (Removal of Gas, Electricity, Heat and Cooling) Order 2010. 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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- (a) gas through a natural gas system situated within the territory of a member State or any network connected to such a system,
- (b) electricity, or
- (c) heat or cooling supplied through a network.

8th December 2010

*Michael Fabricant*  
*Angela Watkinson*  
Two of the Lords Commissioners of Her  
Majesty's Treasury

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## EXPLANATORY NOTE

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

This Order, which comes into force on 1st January 2011, revokes and replaces the Value Added Tax (Removal of Gas and Electricity) Order 2004 (“the Revoked Order”).

Council Directive [2006/112/EC](#) (OJ No L 347, 11.12.06, p1) (“the Principal VAT Directive”) establishes a common system of value added tax applicable throughout the European Union.

Article 17(2) of the Principal VAT Directive excepts certain transactions from the effect of Article 17(1) of that Directive so that the dispatch or transport of goods in connection with those transactions to another member State is not treated as a supply of goods for consideration. The excepted transactions are described in Article 17(2)(a) to (h).

Article 17(2)(d) was amended by Council Directive 2009/162/EU (OJ No L 10, 15.1.10, p14) with effect from 15th January 2010. Member States are required to transpose the amendments with effect from 1st January 2011.

Prior to that amendment the transactions described in Article 17(2)(d) were the supply of gas through the natural gas distribution system and the supply of electricity. Following amendment the transactions described are a supply of gas through a natural gas system situated within the territory of the EU or any network connected to such a system, the supply of electricity and the supply of heat and cooling through a network.

The Revoked Order provides that Paragraph 6(1) of Schedule 4 of the Value Added Tax Act 1994 (c. 23) (“the Act”) shall not apply to the removal of gas through the natural gas distribution system and electricity.

This Order revokes and replaces the Revoked Order. It provides that that Paragraph 6(1) of Schedule 4 of the Act shall not apply to the removal of gas through a natural gas system situated within the territory of a member State or any network connected to such a system, electricity and heat or cooling supplied through a network.

A full impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.

**Changes to legislation:**

There are outstanding changes not yet made by the legislation.gov.uk editorial team to The Value Added Tax (Removal of Gas, Electricity, Heat and Cooling) Order 2010. 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 :**

- art. 3 heading words substituted by [S.I. 2021/715 reg. 55\(a\)](#)
- art. 3 words substituted by [S.I. 2021/715 reg. 55\(b\)](#)
- art. 3(a) words inserted by [S.I. 2020/1545 reg. 101](#)

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

- Order revoked by [S.I. 2019/59 reg. 89\(d\)](#) (This amendment not applied to legislation.gov.uk. Reg. 89(a)-(f) omitted on IP completion day by virtue of S.I. 2020/1545, regs. 1, 104(4); S.I. 2020/1641, reg. 2, Sch.)