
STATUTORY INSTRUMENTS

2016 No. 12

VALUE ADDED TAX

The Value Added Tax (Section 55A) (Specified Services and Excepted Supplies) Order 2016

<i>Made</i>	- - - -	<i>7th January 2016</i>
<i>Laid before the House of Commons</i>	- - - -	<i>11th January 2016</i>
<i>Coming into force</i>	- -	<i>1st February 2016</i>

The Treasury, in exercise of the powers conferred by section 55A(9), (10), (11) and (14) of the Value Added Tax Act 1994 ^{MI}, make the following Order:

Marginal Citations

MI 1994 c.23; section 55A was inserted by section 19(1) of the [Finance Act 2006 \(c. 25\)](#) and was amended by section 50(1) of the [Finance Act 2010 \(c. 13\)](#) and section 203 of, and paragraphs 2 and 6 of Schedule 28 to, the [Finance Act 2012 \(c. 14\)](#).

Citation, commencement and effect

1.—(1) This Order may be cited as the Value Added Tax (Section 55A) (Specified Services and Excepted Supplies) Order 2016.

(2) This Order comes into force on 1st February 2016 and has effect in relation to supplies made on or after that date.

Interpretation

2. In this Order—

“the Act” means the Value Added Tax Act 1994;

“specified services” means the services specified in article 4.

Application of section 55A of the Act

3.—(1) Section 55A of the Act (customers to account for tax on supplies of goods or services of a kind used in missing trader ^{F1}... fraud) applies to services of a description specified in article 4.

(2) The supplies specified in article 5 are excepted supplies for the purposes of section 55A of the Act.

F1 Word in [art. 3\(1\)](#) omitted (31.12.2020) by virtue of [The Value Added Tax \(Miscellaneous Amendments and Revocations\) \(EU Exit\) Regulations 2019 \(S.I. 2019/59\)](#), regs. 1, **87(2)**; [S.I. 2020/1641](#), reg. 2, Sch.

Specified services

- 4.—(1) The services referred to in article 3(1) are telecommunication services which enable—
- (a) speech communication instantly or with only a negligible delay between the transmission and the receipt of signals; or
 - (b) the transmission of writing, images and sounds or information of any nature when provided in connection with services described in sub-paragraph (a).

(2) In this article “telecommunication services” has the meaning given by paragraph [^{F2}9E(2)] of Schedule 4A to the Act ^{M2}.

F2 Word in [art. 4\(2\)](#) substituted (with effect in accordance with [art. 1\(2\)](#) of the amending S.I.) by [The Value Added Tax \(Place of Supply of Services\) \(Telecommunication Services\) Order 2017 \(S.I. 2017/778\)](#), arts. 1(1), **8**

Marginal Citations

M2 Schedule 4A was inserted by section 76 of, and paragraphs 1 and 11 of Schedule 36 to, the [Finance Act 2009 \(c. 10\)](#).

Excepted Supplies

5. The supplies referred to in article 3(2) are—
- (a) a supply of specified services which is not a wholesale supply;
 - (b) a supply of specified services to which section 8 of the Act (reverse charge on supplies received from abroad) ^{M3} applies.

Marginal Citations

M3 [Section 8](#) was amended by section 42 of the [Finance Act 1997 \(c. 16\)](#) and section 76 of, and paragraphs 1 and 5 of Schedule 36 to, the [Finance Act 2009](#).

Mel Stride
David Evennett
Two of the Lords Commissioners of Her
Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

This Order, which has effect in relation to supplies made on or after the 1st February 2016, applies a reverse charge to specified services of a kind used in missing trader intra-community fraud and excepts some supplies from that charge.

Value added tax, as a general rule, requires the supplier of goods or services to account for VAT on those supplies. Section 55A (customers to account for tax on supplies of goods or services of a kind used in missing trader intra-community fraud) of the Value Added Tax Act 1994 (c. 23) requires the recipient, not the supplier, to account for and pay tax on the supply of goods and services which are of a description specified in an order made by the Treasury for that purpose. Section 55A permits an order to except certain supplies from the specified supplies.

Article 3 of the Order provides that section 55A applies to services of a description specified in article 4 and that supplies specified in article 5 are excepted supplies for the purposes of that section.

Article 4 of the Order describes the services which are specified services for the purposes of section 55A.

Article 5 of the Order describes the services which are excepted services for the purposes of section 55A.

A Tax Information and Impact Note covering this instrument has been published and is available on the government website at <https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins>.

Changes to legislation:

There are currently no known outstanding effects for the The Value Added Tax (Section 55A) (Specified Services and Excepted Supplies) Order 2016.