



Value Added Tax Act 1994

1994 CHAPTER 23

PART I

THE CHARGE TO TAX

Supply of goods or services in the United Kingdom

5 Meaning of supply: alteration by Treasury order.

- (1) Schedule 4 shall apply for determining what is, or is to be treated as, a supply of goods or a supply of services.
 - (2) Subject to any provision made by that Schedule and to Treasury orders under subsections (3) to (6) below—
 - (a) “supply” in this Act includes all forms of supply, but not anything done otherwise than for a consideration;
 - (b) anything which is not a supply of goods but is done for a consideration (including, if so done, the granting, assignment or surrender of any right) is a supply of services.
 - (3) The Treasury may by order provide with respect to any description of transaction—
 - (a) that it is to be treated as a supply of goods and not as a supply of services; or
 - (b) that it is to be treated as a supply of services and not as a supply of goods; or
 - (c) that it is to be treated as neither a supply of goods nor a supply of services;and without prejudice to the foregoing, such an order may provide that paragraph 5(4) of Schedule 4 is not to apply, in relation to goods of any prescribed description used or made available for use in prescribed circumstances, so as to make that a supply of services under that paragraph ^{F1}....
- [^{F2}(3A) An order under subsection (3) may provide that paragraph 30 of Schedule 9ZB does not apply, in such circumstances as may be described in the order, so as to make a removal of assets a supply of goods under that paragraph.]

Changes to legislation: There are currently no known outstanding effects for the Value Added Tax Act 1994, Section 5. (See end of Document for details)

- (4) Without prejudice to subsection (3) above, the Treasury may by order make provision for securing, with respect to services of any description specified in the order, that where—
- (a) a person carrying on a business does anything which is not a supply of services but would, if done for a consideration, be a supply of services of a description specified in the order; and
 - (b) such other conditions as may be specified in the order are satisfied,
- such services are treated for the purposes of this Act as being supplied by him in the course or furtherance of that business.
- (5) The Treasury may by order make provision for securing, subject to any exceptions provided for by or under the order, that where in such circumstances as may be specified in the order goods of a description so specified are taken possession of or produced by a person in the course or furtherance of a business carried on by him and—
- (a) are neither supplied to another person nor incorporated in other goods produced in the course or furtherance of that business; but
 - (b) are used by him for the purpose of a business carried on by him,
- the goods are treated for the purposes of this Act as being both supplied to him for the purpose of that business and supplied by him in the course or furtherance of it.
- (6) The Treasury may by order make provision for securing, with respect to services of any description specified in the order, that where—
- (a) a person, in the course or furtherance of a business carried on by him, does anything for the purpose of that business which is not a supply of services but would, if done for a consideration, be a supply of services of a description specified in the order; and
 - (b) such other conditions as may be specified in the order are satisfied,
- such services are treated for the purposes of this Act as being both supplied to him for the purpose of that business and supplied by him in the course or furtherance of it.
- (7) For the purposes of this section, where goods are manufactured or produced from any other goods, those other goods shall be treated as incorporated in the first-mentioned goods.
- (8) An order under subsection (4) or (6) above may provide for the method by which the value of any supply of services which is treated as taking place by virtue of the order is to be calculated.

Textual Amendments

- F1** Words in s. 5(3) omitted (31.12.2020) by virtue of [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), s. 57(3), [Sch. 8 para. 5](#) (with [Sch. 8 para. 99](#)) (with savings and transitional provisions in [S.I. 2019/105](#) (as amended by [S.I. 2020/1495](#), [regs. 1\(2\), 21](#)), [S.I. 2020/1545](#), [Pt. 4](#) and [2020 c. 26](#), [Sch. 2 para. 7\(7\)-\(9\)](#)); [S.I. 2020/1642](#), [reg. 4\(b\)](#) (with [reg. 7](#))
- F2** S. 5(3A) inserted (17.12.2020 for specified purposes, 31.12.2020 in so far as not already in force) by [Taxation \(Post-transition Period\) Act 2020 \(c. 26\)](#), s. 11(1)(e), [Sch. 2 para. 4](#) (with [Sch. 2 para. 7\(7\)-\(9\)](#)); [S.I. 2020/1642](#), [reg. 9](#)

Changes to legislation: There are currently no known outstanding effects for the Value Added Tax Act 1994, Section 5. (See end of Document for details)

Modifications etc. (not altering text)

C1 S. 5 applied (with modifications) (1.4.2009) by Finance Act 2008 (c. 9), s. 113(2), **Sch. 36 para. 34(4)** (with Sch. 36 para. 38); S.I. 2009/404, art. 2

Changes to legislation:

There are currently no known outstanding effects for the Value Added Tax Act 1994, Section 5.