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STATUTORY INSTRUMENTS

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**2004 No. 3085**

**VALUE ADDED TAX**

**The Value Added Tax (Special Provisions)  
(Amendment) (No.2) 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 5(3) of the Value Added Tax Act 1994(1), hereby make the following Order:

1. This Order may be cited as the Value Added Tax (Special Provisions) (Amendment) (No.2) Order 2004 and comes into force on 1st January 2005.
2. In article 2 of the Value Added Tax (Special Provisions) Order 1995(2) –
  - (a) omit the definition of “insurer” in paragraph (1); and
  - (b) omit paragraph (2).

24th November 2004

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

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(1) 1994 c. 23.  
(2) S.I.1995/1268 to which relevant amendments were made by article 500 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**Status:** This is the original version (as it was originally made).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.

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## EXPLANATORY NOTE

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

This Order, which comes into force on 1st January 2005, amends article 2 of the Value Added Tax (Special Provisions) Order 1995 ([S.I.1995/1268](#)).

Article 2 deletes the definition of insurer and an associated provision as a consequence of the amendments made to Group 2 of Schedule 9 to the Value Added Tax Act 1994 (c. 23) by the Value Added Tax (Insurance) Order 2004 ([S.I.2004/3083](#)), as a result of which the Act no longer links VAT exemption for insurance and reinsurance transactions to the particular regulatory status of the insurer.

This means that article 4(1)(b) of the Value Added Tax (Special Provisions) Order 1995, which treats the disposal of second-hand goods, works of art, antiques and collectors' items by an insurer who has taken possession of them in settlement of an insurance claim as neither a supply of goods nor of services, is no longer conditional on the regulatory status of the insurer.

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