
STATUTORY INSTRUMENTS

2010 No. 2925

VALUE ADDED TAX

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

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

The Treasury, in exercise of the powers conferred by section 5(3) of the Value Added Tax Act 1994(1), make the following Order:

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.

Commencement Information

I1 Art. 1 in force at 1.1.2011, see [art. 1\(2\)](#)

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(2) is revoked.

Commencement Information

I2 Art. 2 in force at 1.1.2011, see [art. 1\(2\)](#)

(1) 1994 c. 23.
(2) S.I. 2004/3150.

The application of [^{F1}paragraph 30 of Schedule 9ZB] to the Value Added Tax Act 1994

3. [^{F2}Paragraph 30 of Schedule 9ZB (removal of business assets to be treated as a supply of goods)] to the Value Added Tax Act 1994 shall not apply to the removal of—

- (a) gas through a natural gas system situated within [^{F3}Northern Ireland or] 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.

Textual Amendments

- F1** Words in art. 3 heading substituted (1.8.2021) by [The Value Added Tax \(Amendment\) \(EU Exit\) Regulations 2021 \(S.I. 2021/715\)](#), regs. 1, **55(a)**
- F2** Words in art. 3 substituted (1.8.2021) by [The Value Added Tax \(Amendment\) \(EU Exit\) Regulations 2021 \(S.I. 2021/715\)](#), regs. 1, **55(b)**
- F3** Words in art. 3(a) inserted (31.12.2020) by [The Value Added Tax \(Miscellaneous Amendments, Northern Ireland Protocol and Savings and Transitional Provisions\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1545\)](#), regs. 1, **101** (with regs. 109-131); S.I. 2020/1641, reg. 2, Sch.

Commencement Information

- I3** Art. 3 in force at 1.1.2011, see [art. 1\(2\)](#)

8th December 2010

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

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 currently no known outstanding effects for the The Value Added Tax (Removal of Gas, Electricity, Heat and Cooling) Order 2010.