

## SCHEDULES

### SCHEDULE 3

#### VALUE ADDED TAX: ABOLITION OF FISCAL FRONTIERS ETC.

##### PART I

##### AMENDMENTS OF THE VALUE ADDED TAX ACT 1983 (C. 55)

###### *Place of supply*

- 7 (1) In subsection (1) of section 6 (place of supply), after “apply” there shall be inserted “(subject to section 35 below)”.
- (2) At the beginning of subsection (2) of that section there shall be inserted “Subject to the following provisions of this section”.
- (3) For subsection (3) of that section (goods removed from or to the United Kingdom) there shall be substituted the following subsections—
- “(2A) Goods shall be treated—
- (a) as supplied in the United Kingdom where their supply involves their installation or assembly at a place in the United Kingdom to which they are removed; and
  - (b) as supplied outside the United Kingdom where their supply involves their installation or assembly at a place outside the United Kingdom to which they are removed.
- (2B) Goods whose place of supply is not determined under any of the preceding provisions of this section shall be treated as supplied in the United Kingdom where—
- (a) the supply involves the removal of the goods to the United Kingdom by or under the directions of the person who supplies them;
  - (b) the supply is a transaction in pursuance of which the goods are acquired in the United Kingdom from another member State by a person who is not a taxable person;
  - (c) the supplier—
    - (i) is liable to be registered under Schedule 1A to this Act; or
    - (ii) would be so liable if he were not already registered under this Act or liable to be registered under Schedule 1 to this Act;
- and
- (d) the supply is neither a supply of goods consisting in a new means of transport nor anything which is treated as a supply for the purposes of this Act by virtue only of paragraph 5(1) or 5A of Schedule 2 to this Act.

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*Status: This is the original version (as it was originally enacted).*

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- (2C) Goods whose place of supply is not determined under any of the preceding provisions of this section and which do not consist in a new means of transport shall be treated as supplied outside the United Kingdom where—
- (a) the supply involves the removal of the goods, by or under the directions of the person who supplies them, to another member State;
  - (b) the person who makes the supply is taxable in another member State; and
  - (c) provisions of the law of that member State corresponding, in relation to that member State, to the provisions made by subsection (2B) above make that person liable to value added tax on the supply;

but this subsection shall not apply in relation to any supply in a case where the liability mentioned in paragraph (c) above depends on the exercise by any person of an option in the United Kingdom corresponding to such an option as is mentioned in paragraph 1(2) of Schedule 1A to this Act, unless that person has given, and has not withdrawn, a notification to the Commissioners that he wishes his supplies to be treated as taking place outside the United Kingdom where they are supplies in relation to which the other requirements of this subsection are satisfied.

- (2D) Goods whose place of supply is not determined under any of the preceding provisions of this section shall be treated as supplied in the United Kingdom where—
- (a) their supply involves their being imported from a place outside the member States; and
  - (b) the person who supplies them is the person by whom, or under whose directions, they are so imported.

- (3) Goods whose place of supply is not determined under any of the preceding provisions of this section but whose supply involves their removal to or from the United Kingdom shall be treated—
- (a) as supplied in the United Kingdom where their supply involves their removal from the United Kingdom without also involving their previous removal to the United Kingdom; and
  - (b) as supplied outside the United Kingdom in any other case.”

- (4) In subsection (4) of that section (goods removed from the United Kingdom in the course of their removal from one part of the United Kingdom to another), for “subsections (2) and (3) above” there shall be substituted “the preceding provisions of this section”.

- (5) After subsection (4) of that section there shall be inserted the following subsection—

“(4A) The Commissioners may by regulations provide that a notification for the purposes of subsection (2C) above is not to be given or withdrawn except in such circumstances, and in such form and manner, as may be prescribed.”

- (6) In subsection (6) of that section (power to vary rules of place of supply of services), for the word “services”, in each place where it occurs, there shall be substituted “goods or services”.

- 8 After subsection (5) of section 7 (reverse charge on services received from abroad) there shall be inserted the following subsection—

“(6) The power of the Treasury by order to add to or vary Schedule 3 to this Act shall include power, where any services whose place of supply is determined by an order under section 6(6) above are added to that Schedule, to provide that subsection (1) above shall have effect in relation to those services as if a person belongs in the United Kingdom for the purposes of paragraph (b) of that subsection if, and only if, he is a taxable person.”

- 9 In section 8(1) (place where supplier or recipient belongs), after the word “apply”, in the second place where it occurs, there shall be inserted “(subject to any provision made under section 7(6) above)”.