



# Value Added Tax Act 1994

## 1994 CHAPTER 23

### PART I

#### THE CHARGE TO TAX

##### *Determination of value*

#### **19 Value of supply of goods or services.**

- (1) For the purposes of this Act the value of any supply of goods or services shall, except as otherwise provided by or under this Act, be determined in accordance with this section and Schedule 6, and for those purposes subsections (2) to (4) below have effect subject to that Schedule.
- (2) If the supply is for a consideration in money its value shall be taken to be such amount as, with the addition of the VAT chargeable, is equal to the consideration.
- (3) If the supply is for a consideration not consisting or not wholly consisting of money, its value shall be taken to be such amount in money as, with the addition of the VAT chargeable, is equivalent to the consideration.
- (4) Where a supply of any goods or services is not the only matter to which a consideration in money relates, the supply shall be deemed to be for such part of the consideration as is properly attributable to it.
- (5) For the purposes of this Act the open market value of a supply of goods or services shall be taken to be the amount that would fall to be taken as its value under subsection (2) above if the supply were for such consideration in money as would be payable by a person standing in no such relationship with any person as would affect that consideration.

#### **Modifications etc. (not altering text)**

C1 [S. 19\(5\)](#) modified (20.10.1995) by [S.I. 1995/2518](#), [reg. 77](#)

*Status: Point in time view as at 01/09/1996.*

*Changes to legislation: There are currently no known outstanding effects for the Value Added Tax Act 1994, Cross Heading: Determination of value. (See end of Document for details)*

## 20 Valuation of acquisitions from other member States.

- (1) [<sup>F1</sup>Subject to section 18C,]for the purposes of this Act the value of any acquisition of goods from another member State shall be taken to be the value of the transaction in pursuance of which they are acquired.
- (2) Where goods are acquired from another member State otherwise than in pursuance of a taxable supply, the value of the transaction in pursuance of which they are acquired shall be determined for the purposes of subsection (1) above in accordance with this section and Schedule 7, and for those purposes—
  - (a) subsections (3) to (5) below have effect subject to that Schedule; and
  - (b) section 19 and Schedule 6 shall not apply in relation to the transaction.
- (3) If the transaction is for a consideration in money, its value shall be taken to be such amount as is equal to the consideration.
- (4) If the transaction is for a consideration not consisting or not wholly consisting of money, its value shall be taken to be such amount in money as is equivalent to the consideration.
- (5) Where a transaction in pursuance of which goods are acquired from another member State is not the only matter to which a consideration in money relates, the transaction shall be deemed to be for such part of the consideration as is properly attributable to it.

### Textual Amendments

- F1** Words in s. 20(1) inserted (1.6.1996 with application to any acquisition of goods from another member State and any supply taking place on or after that day) by 1996 c. 8, ss. 25, 26, Sch. 3 para. 6; S.I. 1996/1249, art. 2

## 21 Value of imported goods.

- (1) For the purposes of this Act, the value of goods imported from a place outside the member States shall (subject to subsections (2) [<sup>F2</sup>to (4)] below) be determined according to the rules applicable in the case of Community customs duties, whether or not the goods in question are subject to any such duties.
- (2) For the purposes of this Act the value of any goods imported from a place outside the member States shall be taken to include the following so far as they are not already included in that value in accordance with the rules mentioned in subsection (1) above, that is to say—
  - (a) all taxes, duties and other charges levied either outside or, by reason of importation, within the United Kingdom (except VAT); <sup>F3</sup> . . .
  - [<sup>F4</sup>(b) all incidental expenses, such as commission, packing, transport and insurance costs, up to the goods' first destination in the United Kingdom; and
  - (c) if at the time of the importation of the goods from a place outside the member States a further destination for the goods is known, and that destination is within the United Kingdom or another member State, all such incidental expenses in so far as they result from the transport of the goods to that other destination;

and in this subsection “the goods’ first destination” means the place mentioned on the consignment note or any other document by means of which the goods are imported

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into the United Kingdom, or in the absence of such documentation it means the place of the first transfer of cargo in the United Kingdom.]

- (3) Subject to subsection (2) above, where—
- (a) goods are imported from a place outside the member States for a consideration which is or includes a price in money payable as on the transfer of property;
  - (b) the terms on which those goods are so imported allow a discount for prompt payment of that price;
  - (c) those terms do not include provision for payment of that price by instalments; and
  - (d) payment of that price is made in accordance with those terms so that the discount falls to be allowed,

the value of the goods shall be taken for the purposes of this Act to be reduced by the amount of the discount.

- [<sup>F5</sup>(4) For the purposes of this Act, the value of any goods falling within subsection (5) below which are imported from a place outside the member States shall be taken to be an amount equal to 14.29 per cent. of the amount which, apart from this subsection, would be their value for those purposes.

- (5) The goods which fall within this subsection are—
- (a) any work of art which was obtained by any person before 1st April 1973 otherwise than by his producing it himself or by succession on the death of the person who produced it;
  - (b) any work of art which was—
    - (i) exported from the United Kingdom before 1st April 1973,
    - (ii) exported from the United Kingdom on or after that date and before 1st January 1993 by a person who, had he supplied it in the United Kingdom at the date when it was exported, would not have had to account for VAT on the full value of the supply, or
    - (iii) exported from the United Kingdom on or after 1st January 1993 by such a person to a place which, at the time, was outside the member States,

being, in each case, a work of art which has not been imported between the time when it was exported and the importation in question;

- (c) any antique more than one hundred years old, being neither a work of art nor pearls or loose gem stones; and
  - (d) collectors' pieces of zoological, botanical, mineralogical, anatomical, historical, archaeological, paleontological or ethnographic interest.
- (6) In this section “work of art” means goods falling within any of the following descriptions, that is to say—
- (a) paintings, drawings and pastels executed by hand but not comprised in manufactured articles that have been hand-painted or hand-decorated;
  - (b) original engravings, lithographs and other prints;
  - (c) original sculptures and statuary, in any material.

- (7) An order under section 2(2) may contain provision making such alteration of the percentage for the time being specified in subsection (4) above as the Treasury consider appropriate in consequence of any increase or decrease by that order of the rate of VAT.]

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#### Textual Amendments

- F2** Words in s. 21(1) substituted (1.5.1995 with effect as mentioned in s. 22(2) of the amending Act) by 1995 c. 4, s. 22(1)
- F3** Word in s. 21(2)(a) repealed (29.4.1996 with effect in relation to goods imported on or after 1.1.1996) by 1996 c. 8, ss. 27(2)(4), 205, **Sch. 41 Pt. IV(3)** Note
- F4** S. 21(2)(b)(c) substituted (29.4.1996 with effect in relation to goods imported on or after 1.1.1996) for s. 21(2)(b) by 1996 c. 8, s. 27(3)(4)
- F5** S. 21(4)-(7) inserted (1.5.1995 with effect as mentioned in s. 22(2) of the amending Act) by 1995 c. 4, s. 22(1)

**F6** 22 .....

#### Textual Amendments

- F6** S. 22 repealed (29.4.1996 with application in relation to supplies made on or after 1.1.1996) by 1996 c. 8, ss. 28, 205, **Sch. 41 Pt. IV(2)**

### 23 Gaming machines.

- (1) Where a person plays a game of chance by means of a gaming machine, then for the purposes of VAT (but without prejudice to subsection (2) below) the amount paid by him to play shall be treated as the consideration for a supply of services to him.
- (2) The value to be taken as the value of supplies made in the circumstances mentioned in subsection (1) above in any period shall be determined as if the consideration for the supplies were reduced by an amount equal to the amount (if any) received in that period by persons (other than the person making the supply and persons acting on his behalf) playing successfully.
- (3) The insertion of a token into a machine shall be treated for the purposes of subsection (1) above as the payment of an amount equal to that for which the token can be obtained; and the receipt of a token by a person playing successfully shall be treated for the purposes of subsection (2) above—
  - (a) if the token is of a kind used to play the machine, as the receipt of an amount equal to that for which such a token can be obtained;
  - (b) if the token is not of such a kind but can be exchanged for money, as the receipt of an amount equal to that for which it can be exchanged.
- (4) In this section—
 

“game of chance” has the same meaning as in the <sup>M1</sup>Gaming Act 1968; and

“gaming machine” means a machine in respect of which the following conditions are satisfied, namely—

  - (a) it is constructed or adapted for playing a game of chance by means of it; and
  - (b) a player pays to play the machine (except where he has an opportunity to play payment-free as the result of having previously played successfully), either by inserting a coin or token into the machine or in some other way; and

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(c) the element of chance in the game is provided by means of the machine.

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**Marginal Citations**

**M1** 1968 c. 65.

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