



# 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*Status: Point in time view as at 06/04/2009.*

*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 [<sup>F3</sup>(subject to subsection (2A) below)] 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>F4</sup> . . .
  - [<sup>F5</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

---

*Status: Point in time view as at 06/04/2009.*

*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)*

---

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.]

[<sup>F6</sup>(2A) Where—

- (a) any goods falling within subsection (5) below are sold by auction at a time when they are subject to the procedure specified in subsection (2B) below, and
- (b) arrangements made by or on behalf of the purchaser of the goods following the sale by auction result in the importation of the goods from a place outside the member States,

the value of the goods shall not be taken for the purposes of this Act to include, in relation to that importation, any commission or premium payable to the auctioneer in connection with the sale of the goods.

(2B) That procedure is the customs procedure for temporary importation with total relief from import duties provided for in Articles 137 to 141 of Council Regulation 2913/92/EEC establishing the Community Customs Code.]

(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>F7</sup>(4) [<sup>F8</sup>Subject to subsection (6D) below,] 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 [<sup>F9</sup>[<sup>F10</sup>33.34] per cent.] of the amount which, apart from this subsection, would be their value for those purposes.

<sup>F11</sup> [ The goods that fall within this subsection are—

- (5) (a) any work of art;
- (b) any antique, not falling within paragraph (a) above or (c) below, that is more than one hundred years old;
- (c) any collection or collector's piece that is of zoological, botanical, mineralogical, anatomical, historical, archaeological, palaeontological, ethnographic, numismatic or philatelic interest.

(6) In this section “work of art” means, subject to subsections (6A) and (6B) below—

- (a) any mounted or unmounted painting, drawing, collage, decorative plaque or similar picture that was executed by hand;
- (b) any original engraving, lithograph or other print which—
  - (i) was produced from one or more plates executed by hand by an individual who executed them without using any mechanical or photomechanical process; and
  - (ii) either is the only one produced from the plate or plates or is comprised in a limited edition;
- (c) any original sculpture or statuary, in any material;

*Status: Point in time view as at 06/04/2009.*

**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)*

- (d) any sculpture cast which—
    - (i) was produced by or under the supervision of the individual who made the mould or became entitled to it by succession on the death of that individual; and
    - (ii) either is the only cast produced from the mould or is comprised in a limited edition;
  - (e) any tapestry or other hanging which—
    - (i) was made by hand from an original design; and
    - (ii) either is the only one made from the design or is comprised in a limited edition;
  - (f) any ceramic executed by an individual and signed by him;
  - (g) any enamel on copper which—
    - (i) was executed by hand;
    - (ii) is signed either by the person who executed it or by someone on behalf of the studio where it was executed;
    - (iii) either is the only one made from the design in question or is comprised in a limited edition; and
    - (iv) is not comprised in an article of jewellery or an article of a kind produced by goldsmiths or silversmiths;
  - (h) any mounted or unmounted photograph which—
    - (i) was printed by or under the supervision of the photographer;
    - (ii) is signed by him; and
    - (iii) either is the only print made from the exposure in question or is comprised in a limited edition;
- (6A) The following do not fall within subsection (5) above by virtue of subsection (6)(a) above, that is to say—
- (a) any technical drawing, map or plan;
  - (b) any picture comprised in a manufactured article that has been hand-decorated; or
  - (c) anything in the nature of scenery, including a backcloth.
- (6B) An item comprised in a limited edition shall be taken to be so comprised for the purposes of subsection (6)(d) to (h) above only if—
- (a) in the case of sculpture casts—
    - (i) the edition is limited so that the number produced from the same mould does not exceed eight; or
    - (ii) the edition comprises a limited edition of nine or more casts made before 1st January 1989 which the Commissioners have directed should be treated, in the exceptional circumstances of the case, as a limited edition for the purposes of subsection (6)(d) above;
  - (b) in the case of tapestries and hangings, the edition is limited so that the number produced from the same design does not exceed eight;
  - (c) in the case of enamels on copper—
    - (i) the edition is limited so that the number produced from the same design does not exceed eight; and
    - (ii) each of the enamels in the edition is numbered and is signed as mentioned in subsection (6)(g)(ii) above;
  - (d) in the case of photographs—

*Status: Point in time view as at 06/04/2009.*

*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)*

- (i) the edition is limited so that the number produced from the same exposure does not exceed thirty; and
  - (ii) each of the prints in the edition is numbered and is signed as mentioned in subsection (6)(h)(ii) above.
- (6C) For the purposes of this section a collector's piece is of philatelic interest if—
- (a) it is a postage or revenue stamp, a postmark, a first-day cover or an item of pre-stamped stationery; and
  - (b) it is franked or (if unfranked) it is not legal tender and is not intended for use as such.
- (6D) Subsection (4) above does not apply in the case of any goods imported from outside the member States if—
- (a) the whole of the VAT chargeable on their importation falls to be relieved by virtue of an order under section 37(1); or
  - (b) they were exported from the United Kingdom during the period of twelve months ending with the date of their importation [<sup>F12</sup>in circumstances where the exportation and subsequent importation were effected to obtain the benefit of that subsection].]
- (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.]

#### 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** Words in s. 21(2) inserted (1.9.2006) by Finance Act 2006 (c. 25), s. 18(2)(4); S.I. 2006/2149, art. 2
- F4** 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
- F5** 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)
- F6** S. 21(2A)(2B) inserted (1.9.2006) by Finance Act 2006 (c. 25), s. 18(3)(4); S.I. 2006/2149, art. 2
- F7** 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)
- F8** Words in s.21(4) inserted (27.7.1999 with effect as mentioned in s. 12(3) of the amending Act) by 1999 c. 16, s. 12(1)(a)
- F9** Words in s. 21(4) substituted (27.7.1999 with effect as mentioned in s. 12(3) of the amending Act) by 1999 c. 16, s. 12(1)(b)
- F10** Word in s. 21(4) substituted (1.12.2008) by The Value Added Tax (Change of Rate) Order 2008 (S.I. 2008/3020), arts. 1, 4
- F11** S. 21(5)-(6D) substituted (27.7.1999 with effect as mentioned in s. 12(3) of the amending Act) for s. 21(5)(6) by 1999 c. 16, s. 12(2)
- F12** Words in s. 21(6D)(b) inserted (with effect in accordance with art. 17(2) of the amending S.I.) by The Enactment of Extra-Statutory Concessions Order 2009 (S.I. 2009/730), arts. 1(1), 17(1)

*Status: Point in time view as at 06/04/2009.*

*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)*

### Textual Amendments

**F13** 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 [<sup>F14</sup>gamble] by means of a gaming machine, then for the purposes of VAT (but without prejudice to subsection (2) below) the amount paid by him <sup>F15</sup>... 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) [<sup>F16</sup>gambling] 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 [<sup>F17</sup>gambling] successfully shall be treated for the purposes of subsection (2) above—
  - (a) if the token is of a kind used [<sup>F18</sup>to use] 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.
- <sup>F19</sup>(4) In this section “gaming machine” means a machine which is designed or adapted for use by individuals to gamble (whether or not it can also be used for other purposes).
- (5) But—
  - (a) a machine is not a gaming machine to the extent that it is designed or adapted for use to bet on future real events,
  - (b) a machine is not a gaming machine to the extent that—
    - (i) it is designed or adapted for the playing of bingo, and
    - (ii) bingo duty is charged under section 17 of the Betting and Gaming Duties Act 1981 (c. 63) on the playing of that bingo, or would be charged but for paragraphs 1 to 5 of Schedule 3 to that Act, and
  - (c) a machine is not a gaming machine to the extent that—
    - (i) it is designed or adapted for the playing of a real game of chance, and
    - (ii) the playing of the game is dutiable gaming for the purposes of section 10 of the Finance Act 1997 (c. 16), or would be dutiable gaming but for subsections (3) and (4) of that section.
- (6) [<sup>F20</sup>For the purposes of this section—]
  - (a) a reference to gambling is a reference to—
    - <sup>F21</sup>(i) playing a game of chance for a prize, and
    - (ii) betting,]
    - (b) a reference to a machine is a reference to any apparatus which uses or applies mechanical power, electrical power or both,

*Status: Point in time view as at 06/04/2009.*

*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)*

- (c) a reference to a machine being designed or adapted for a purpose includes a reference to a machine to which anything has been done as a result of which it can reasonably be expected to be used for that purpose,
  - (d) a reference to a machine being adapted includes a reference to computer software being installed on it,
  - (e) “real” has the meaning given by section 353(1) of [<sup>F22</sup>the Gambling Act 2005],
  - (f) “game of chance” [<sup>F23</sup>includes—
    - (i) a game that involves both an element of chance and an element of skill,
    - (ii) a game that involves an element of chance that can be eliminated by superlative skill, and
    - (iii) a game that is presented as involving an element of chance, but does not include a sport,]
  - (g) “bingo” means any version of that game, irrespective of by what name it is described.
  - [<sup>F24</sup>(h) “prize”, in relation to a machine, does not include the opportunity to play the machine again,
    - (i) a person plays a game of chance if he participates in a game of chance—
      - (i) whether or not there are other participants in the game, and
      - (ii) whether or not a computer generates images or data taken to represent the actions of other participants in the game.]
- (7) The Treasury may by order amend subsections (4) to (6).]

#### Textual Amendments

- F14** Word in s. 23(1) substituted (with effect in accordance with s. 16(6) of the amending Act) by [Finance Act 2006 \(c. 25\), s. 16\(2\)\(a\)](#)
- F15** Words in s. 23(1) repealed (with effect in accordance with s. 16(6) of the amending Act) by [Finance Act 2006 \(c. 25\), s. 16\(2\)\(b\), Sch. 26 Pt. 2](#)
- F16** Word in s. 23(2) substituted (with effect in accordance with s. 16(6) of the amending Act) by [Finance Act 2006 \(c. 25\), s. 16\(3\)](#)
- F17** Word in s. 23(3) substituted (with effect in accordance with s. 16(6) of the amending Act) by [Finance Act 2006 \(c. 25\), s. 16\(4\)\(a\)](#)
- F18** Words in s. 23(3)(a) substituted (with effect in accordance with s. 16(6) of the amending Act) by [Finance Act 2006 \(c. 25\), s. 16\(4\)\(b\)](#)
- F19** S. 23(4)-(7) substituted for s. 23(4) (with effect in accordance with s. 16(6) of the amending Act) by [Finance Act 2006 \(c. 25\), s. 16\(5\)](#) (with s. 16(7))
- F20** Words in s. 23(6) substituted (1.11.2006) by [The Value Added Tax \(Gaming Machines\) Order 2006 \(S.I. 2006/2686\), arts. 1, 2\(a\)](#)
- F21** S. 23(6)(a)(i)(ii) substituted (1.11.2006) by [The Value Added Tax \(Gaming Machines\) Order 2006 \(S.I. 2006/2686\), arts. 1, 2\(b\)](#)
- F22** Words in s. 23(6)(e) substituted (1.11.2006) by [The Value Added Tax \(Gaming Machines\) Order 2006 \(S.I. 2006/2686\), arts. 1, 2\(c\)](#)
- F23** Words in s. 23(6)(f) substituted (1.11.2006) by [The Value Added Tax \(Gaming Machines\) Order 2006 \(S.I. 2006/2686\), arts. 1, 2\(d\)](#)
- F24** S. 23(6)(h)(i) inserted (1.11.2006) by [The Value Added Tax \(Gaming Machines\) Order 2006 \(S.I. 2006/2686\), arts. 1, 2\(e\)](#)

**Status:**

Point in time view as at 06/04/2009.

**Changes to legislation:**

There are currently no known outstanding effects for the Value Added Tax Act 1994, Cross Heading: Determination of value.