



Value Added Tax Act 1994

1994 CHAPTER 23

PART I

THE CHARGE TO TAX

Imposition and rate of VAT

1 Value added tax.

- (1) Value added tax shall be charged, in accordance with the provisions of this Act—
 - (a) on the supply of goods or services in the United Kingdom (including anything treated as such a supply),
 - (b) on the acquisition in the United Kingdom from other member States of any goods, and
 - (c) on the importation of goods from places outside the member States,and references in this Act to VAT are references to value added tax.
- (2) VAT on any supply of goods or services is a liability of the person making the supply and (subject to provisions about accounting and payment) becomes due at the time of supply.
- (3) VAT on any acquisition of goods from another member State is a liability of the person who acquires the goods and (subject to provisions about accounting and payment) becomes due at the time of acquisition.
- (4) VAT on the importation of goods from places outside the member States shall be charged and payable as if it were a duty of customs.

2 Rate of VAT.

- (1) Subject to the following provisions [^{F1}and to the provisions of section 29A] of this section ^{F2} . . . , VAT shall be charged at the rate of [^{F3}20 per cent] and shall be charged—

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- (a) on the supply of goods or services, by reference to the value of the supply as determined under this Act; and
- (b) on the acquisition of goods from another member State, by reference to the value of the acquisition as determined under this Act; and
- (c) on the importation of goods from a place outside the member States, by reference to the value of the goods as determined under this Act.

^{F4}(1A)

^{F4}(1B)

^{F5}(1C)

- (2) The Treasury may by order increase or decrease the rate of VAT for the time being in force [^{F6}under this section] by such percentage thereof not exceeding 25 per cent. as may be specified in the order, but any such order [^{F7}that has not previously expired or been revoked] shall cease to be in force at the expiration of a period of one year from the date on which it takes effect, unless continued in force by a further order under this subsection.
- (3) In relation to an order made under subsection (2) above to continue, vary or replace a previous order, the reference in that subsection to the rate for the time being in force [^{F6}under this section] is a reference to the rate which would be in force if no order under that subsection had been made.

Textual Amendments

- F1** Words in s. 2(1) inserted (11.5.2001 with effect as mentioned in s. 99(7)(a) of the amending Act) by 2001 c. 9, s. 99(2)
- F2** Words in s. 2(1) omitted (1.5.1995 with application as mentioned in s. 21(6) of the amending Act) by virtue of 1995 c. 4, s. 21(2)
- F3** Words in s. 2(1) substituted (27.7.2010) by Finance (No. 2) Act 2010 (c. 31), s. 3(1)
- F4** S. 2(1A)(1B) repealed (11.5.2001 with effect as mentioned in s. 99(7) of the amending Act) by 2001 c. 9, ss. 99(3), 110, Sch. 33 Pt. 3(1) Note 2
- F5** S. 2(1C) repealed (1.11.2001) by 2001 c. 9, ss. 99(3), 110, Sch. 33 Pt. 3(1) Note 1
- F6** Words in s. 2(2)(3) inserted (11.5.2001 with effect as mentioned in s. 99(9)(a) of the amending Act) by 2001 c. 9, s. 99, Sch. 31 para. 2
- F7** Words in s. 2(2) inserted (with effect in accordance with Sch. 3 para. 11 of the amending Act) by Finance Act 2009 (c. 10), Sch. 3 para. 25(2)

Modifications etc. (not altering text)

- C1** S. 2(1) modified (1.12.2008) by The Value Added Tax (Change of Rate) Order 2008 (S.I. 2008/3020), arts. 1, 3

3 Taxable persons and registration.

- (1) A person is a taxable person for the purposes of this Act while he is, or is required to be, registered under this Act.
- (2) [^{F8}Schedules 1 to 3A] shall have effect with respect to registration.
- (3) Persons registered under any of those Schedules shall be registered in a single register kept by the Commissioners for the purposes of this Act; and, accordingly, references

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in this Act to being registered under this Act are references to being registered under any of those Schedules.

- (4) The Commissioners may by regulations make provision as to the inclusion and correction of information in that register with respect to the Schedule under which any person is registered.

Textual Amendments

- F8** Words in s. 3(2) substituted (28.7.2000 with effect as mentioned in s. 136(10) of the amending Act) by 2000 c. 17, s. 136(1)

[^{F9}3A Supply of electronic services in member States: special accounting scheme

- (1) Schedule 3B (scheme enabling persons who supply electronically supplied services in any member State, but who are not established in a member State, to account for and pay VAT in the United Kingdom on those supplies) has effect.
- (2) The Treasury may by order amend Schedule 3B.
- (3) The power of the Treasury by order to amend Schedule 3B includes power to make such incidental, supplemental, consequential and transitional provision in connection with any amendment of that Schedule as they think fit.]

Textual Amendments

- F9** S. 3A inserted (with effect in accordance with s. 23(2) of the amending Act) by Finance Act 2003 (c. 14), Sch. 2 para. 2

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