



# 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
  - [<sup>F1</sup>(c) on the importation of goods into the United Kingdom,]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.

#### **Textual Amendments**

- F1** S. 1(1)(c) substituted (28.1.2019 for specified purposes, 31.12.2020 in so far as not already in force) by [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), [ss. 41\(2\)\(b\), 57\(3\)](#) (with savings and transitional

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provisions in S.I. 2019/105 (as amended by S.I. 2020/1495, regs. 1(2), **21**), S.I. 2020/1545, **Pt. 4** and 2020 c. 26, **Sch. 2 para. 7(7)-(9)**); S.I. 2019/104, **reg. 2**; S.I. 2020/1642, **reg. 4(b)** (with reg. 7)

## 2 Rate of VAT.

- (1) Subject to the following provisions [<sup>F2</sup>and to the provisions of section 29A] of this section <sup>F3</sup> . . . , VAT shall be charged at the rate of [<sup>F4</sup>20 per cent] and shall be charged—
- on the supply of goods or services, by reference to the value of the supply as determined under this Act; and
  - on the acquisition of goods from another member State, by reference to the value of the acquisition as determined under this Act; and
  - 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.

<sup>F5</sup>(1A) . . . . .

<sup>F5</sup>(1B) . . . . .

<sup>F6</sup>(1C) . . . . .

- (2) The Treasury may by order increase or decrease the rate of VAT for the time being in force [<sup>F7</sup>under this section] by such percentage thereof not exceeding 25 per cent. as may be specified in the order, but any such order [<sup>F8</sup>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 [<sup>F7</sup>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

- F2** 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)
- F3** 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)
- F4** Words in s. 2(1) substituted (27.7.2010) by Finance (No. 2) Act 2010 (c. 31), s. 3(1)
- F5** 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
- F6** S. 2(1C) repealed (1.11.2001) by 2001 c. 9, ss. 99(3), 110, Sch. 33 Pt. 3(1) Note 1
- F7** 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
- F8** 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

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### 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) [<sup>F9</sup>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 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

- F9** 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)

### [<sup>F10</sup>3A [<sup>F11</sup>Supplies of electronic, telecommunication and broadcasting services: special accounting schemes]

- (1) Schedule 3B (scheme enabling persons who supply electronically supplied services [<sup>F12</sup>, telecommunication services or broadcasting 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.

[ Schedule 3BA—

- <sup>F13</sup>(1A) (a) establishes a special accounting scheme for use by persons established in the UK and supplying electronically supplied services, telecommunication services or broadcasting services in other member States, and
- (b) makes provision about corresponding schemes in other member States.]

- (2) The Treasury may by order amend Schedule 3B [<sup>F14</sup>or 3BA].

- (3) The power of the Treasury by order to amend [<sup>F15</sup>Schedules 3B and 3BA] 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

- F10** 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](#)
- F11** S. 3A heading substituted (with effect in accordance with Sch. 22 para. 23 of the amending Act) by [Finance Act 2014 \(c. 26\)](#), [Sch. 22 para. 12\(4\)](#)
- F12** Words in s. 3A(1) inserted (with effect in accordance with Sch. 22 para. 23 of the amending Act) by [Finance Act 2014 \(c. 26\)](#), [Sch. 22 para. 12\(2\)](#)
- F13** S. 3A(1A) inserted (with effect in accordance with Sch. 22 para. 23 of the amending Act) by [Finance Act 2014 \(c. 26\)](#), [Sch. 22 para. 12\(3\)](#)
- F14** Words in s. 3A(2) inserted (with effect in accordance with Sch. 22 para. 23 of the amending Act) by [Finance Act 2014 \(c. 26\)](#), [Sch. 22 para. 2\(a\)](#)

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**F15** Words in s. 3A(3) substituted (with effect in accordance with Sch. 22 para. 23 of the amending Act) by Finance Act 2014 (c. 26), **Sch. 22 para. 2(b)**

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