



Finance Act 1996

1996 CHAPTER 8

PART II

VALUE ADDED TAX

EC Second VAT Simplification Directive

25 EC Second VAT Simplification Directive.

Sections 26 to 29 of and Schedule 3 to this Act are for the purpose of giving effect to requirements of the directive of the Council of the European Communities dated 17th May 1977 No. [77/388/EEC](#) and the amendments of that directive by the directive of that Council dated 10th April 1995 No. [95/7/EC](#) (amendments with a view to introducing new simplification measures with regard to value added tax).

26 Fiscal and other warehousing.

- (1) The provisions of Schedule 3 to this Act shall have effect.
- (2) Subject to subsection (3) below, this section and Schedule 3 to this Act shall come into force on such day as the Commissioners of Customs and Excise may by order made by statutory instrument appoint, and shall apply to any acquisition of goods from another member State and any supply taking place on or after that day.
- (3) In so far as the provisions inserted by Schedule 3 to this Act confer power to make regulations they shall come into force on the day this Act is passed.

Subordinate Legislation Made

P1 [S. 26\(2\)](#) power fully exercised (9.5.1996): 1.6.1996 appointed by [S.I. 1996/1249](#), [art. 2](#)

Status: Point in time view as at 01/04/2022.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1996, Cross Heading: EC Second VAT Simplification Directive. (See end of Document for details)

Commencement Information

- II** S. 26 wholly in force at 1.6.1996; s. 26 partly in force at Royal Assent see s. 26(3); s. 26 in force at 1.6.1996 in so far as not already in force by S.I 1996/1249, art. 2

27 Value of imported goods.

- (1) Section 21 of the ^{M1} Value Added Tax Act 1994 (value of imported goods) shall be amended as follows.
- (2) In subsection (2) of that section at the end of paragraph (a) the word “and” shall be omitted.
- (3) For paragraph (b) of that subsection there shall be substituted—
 - “(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 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. ”

- (4) This section shall have effect in relation to goods imported on or after 1st January 1996.

Marginal Citations

M1 1994 c. 23.

28 Adaptation of aircraft and hovercraft.

- (1) Section 22 of the ^{M2} Value Added Tax Act 1994 shall be omitted.
- (2) This section shall apply to supplies made on or after 1st January 1996.

Marginal Citations

M2 1994 c. 23.

29 Work on materials.

- (1) The Value Added Tax Act 1994 shall be amended as follows.
- (2) After subsection (2) of section 30 there shall be inserted the following subsection—

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- “(2A) A supply by a person of services which consist of applying a treatment or process to another person’s goods is zero-rated by virtue of this subsection if by doing so he produces goods, and either—
- (a) those goods are of a description for the time being specified in Schedule 8; or
 - (b) a supply by him of those goods to the person to whom he supplies the services would be of a description so specified.”
- (3) In subsection (5) of section 55 (supplies of gold), after paragraph (b) there shall be inserted the following—
- “; or
- (c) any supply of services consisting in the application to another person’s goods of a treatment or process which produces goods a supply of which would fall within paragraph (a) above.”;
- and the word “or” at the end of paragraph (a) shall be omitted.
- (4) Paragraph 2 of Schedule 4 (which provides that the treatment or processing of another person’s goods shall in certain circumstances be a supply of goods) shall be omitted.
- (5) This section shall apply to supplies made on or after 1st January 1996.

Status:

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