

FINANCE ACT 2009

EXPLANATORY NOTES

INTRODUCTION

Section 76 Schedule 36: Vat: Place of Supply of Services Etc

Background Note

49. This section and Schedule make changes to the rules governing the place of supply for VAT purposes.
50. These changes are required to implement the first phases of changes in the VAT Place of Supply of Services Directive (Directive [2008/08/EC](#)) into UK law. These changes were agreed as part of the VAT Package of legislation adopted in February 2008.
51. From 1 January 2010 the new general rule for the place of supply of services will tax business to business supplies of services at the place where the customer is established and no longer at the place where the supplier is established, as is the case at present.
52. For business to consumer supplies of services, the general rule for the place of supply will continue to be the place where the supplier is established.
53. As now, there are exceptions to the general rule for certain services, with a view to achieving taxation in the place of consumption. In the main these will be implemented on 1 January 2010, with further changes being introduced from 1 January 2011 and 1 January 2013.
54. This legislation includes provisions implementing the following European Community legislation: Directive [2008/08/EC](#). A Transposition Note setting out how the Government will transpose into UK law the main elements of this Directive is annexed below.