

1990 No. 315

VALUE ADDED TAX

The Value Added Tax (Cars) (Amendment) Order 1990

<i>Made - - - -</i>	<i>20th February 1990</i>
<i>Laid before the House of Commons</i>	<i>26th February 1990</i>
<i>Coming into force</i>	<i>19th March 1990</i>

The Treasury, in exercise of the powers conferred on them by sections 18 and 45(1) of the Value Added Tax Act 1983(a) and of all other powers enabling them in that behalf, hereby make the following Order:

1. This Order may be cited as the Value Added Tax (Cars) (Amendment) Order 1990 and shall come into force on 19th March 1990.

2. Article 6 of the Value Added Tax (Cars) Order 1980(b) shall be amended by the addition of the following paragraphs –

“(3) Where a car dealer has failed to keep all such records and accounts as the Commissioners have specified, and the Commissioners do not recognise other records and accounts kept as sufficient, tax shall be chargeable as provided in paragraph (4) below if the following conditions are satisfied –

- (a) such records as the Commissioners have specified are available in relation to the acquisition of the motor car or in relation to the supply of the motor car by him;
- (b) the Commissioners are of the opinion that the mark-up achieved by him does not exceed 100 per cent., and;
- (c) the supply is otherwise eligible for the relief afforded by this article.

(4) The tax chargeable in the circumstances referred to in paragraph (3) above shall be either –

- (a) where only the specified records in relation to the acquisition are available, as if the supply by the car dealer were for a consideration equal to the consideration for which the motor car was acquired by him; or
- (b) where only the specified records in relation to the supply by him are available, as if the supply by the car dealer were for a consideration equal to half the consideration for which the motor car was supplied by him.”.

20th February 1990

John Taylor
David Lightbown
Two of the Lords Commissioners
of Her Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends the Value Added Tax (Cars) Order 1980 in respect of the tax to be charged on supplies of used motor cars.

The 1980 Order requires dealers to keep certain records if their supplies are to qualify for the margin scheme relief.

The amendment allows a degree of relief to car dealers who have not kept all the necessary records provided specified records are available either in relation to the acquisition of the vehicle or in relation to the sale of the vehicle, and the Commissioners consider that the mark-up achieved does not exceed 100 per cent.

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