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STATUTORY INSTRUMENTS

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**1995 No. 1667**

**The Value Added Tax (Cars) (Amendment) (No. 2) Order 1995**

**3.** In article 4—

(a) at the beginning of paragraph (1) there shall be inserted “Subject to paragraphs (1A) to (2) below,”;

(b) in sub-paragraph (c) of paragraph (1) the words “where” to the end shall be deleted;

(c) after sub-paragraph (e)(1) of paragraph (1) there shall be added the following—

“(f) a relevant supply of services by a taxable person to whom a motor car has been let on hire or supplied or by whom a motor car has been acquired from another member State or imported.”; and

(d) after paragraph (1) there shall be inserted the following—

“(1A) Paragraph (1) above shall not apply in relation to a case falling within paragraph (1)(a) to (c) above unless the tax on any previous supply, acquisition or importation was wholly excluded from credit under section 25 of the Act.

(1B) Paragraph (1) above shall not apply in relation to a case falling within paragraph (1)(f) above unless the tax on any previous letting on hire, supply, acquisition or importation was wholly or partly excluded from credit under section 25 of the Act.

(1C) For the purposes of paragraph (1)(f) above a relevant supply of services is—

(a) the letting on hire of a motor car to any person for no consideration or for a consideration which is less than that which would be payable in money if it were a commercial transaction conducted at arms length; or

(b) the making available of a motor car (otherwise than by letting it on hire) to any person (including, where the taxable person is an individual, himself, and where the taxable person is a partnership, a partner) for private use, whether or not for a consideration.”