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STATUTORY INSTRUMENTS

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**1995 No. 958**

**VALUE ADDED TAX**

**The Value Added Tax (Treatment of Transactions) Order 1995**

*Made - - - - 30th March 1995*  
*Laid before the House of*  
*Commons - - - - 31st March 1995*  
*Coming into force in accordance with article 1*

The Treasury, in exercise of the powers conferred on them by section 5(3) of the Value Added Tax Act 1994<sup>(1)</sup> 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 (Treatment of Transactions) Order 1995 and shall come into force on the day that the Finance Bill 1995 is passed.

**Commencement Information**

**I1** [Art. 1](#) in force at 1.5.1995, see [art. 1](#)

2. In this Order —

“works of art” means —

- (a) paintings, drawings and pastels executed by hand but not comprised in manufactured articles that have been hand-painted or hand-decorated; collages and similar decorative plaques;
- (b) original engravings, lithographs and other prints;
- (c) original sculptures and statuary, in any material.

**Commencement Information**

**I2** [Art. 2](#) in force at 1.5.1995, see [art. 1](#)

3.—(1) Subject to paragraph (3) below, the transfer of ownership in—

- (a) second-hand goods imported from a place outside the member States with a view to their sale by auction;

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**Changes to legislation:** There are outstanding changes not yet made by the legislation.gov.uk editorial team to The Value Added Tax (Treatment of Transactions) Order 1995. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

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(b) works of art imported from a place outside the member States for the purposes of exhibition, with a view to possible sale,

at a time when the second-hand goods or works of art, as the case may be, are still subject to arrangements for temporary importation with total exemption from import duty in accordance with Articles 137 to 141 and paragraph 1 of Article 144 of Council Regulation (EEC) No. 2913/92(2) and paragraph 1(a) or (c) (as the case may require) and paragraphs 2 and 3 of Article 682 of Commission Regulation (EEC) No. 2454/93(3), shall be treated as neither a supply of goods nor a supply of services.

(2) Subject to paragraph (3) below, the provision of any services relating to a transfer of ownership falling within paragraph (1)(a) or (b) above shall be treated as neither a supply of goods nor a supply of services.

(3) Paragraphs (1) and (2) above shall not apply in relation to any transfer of ownership in second-hand goods which is effected otherwise than by sale by auction.

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**Commencement Information**

**I3** [Art. 3](#) in force at 1.5.1995, see [art. 1](#)

*Tim Wood*  
*Timothy Kirkhope*  
Two of the Lords Commissioners of Her  
Majesty's Treasury

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(2) OJ No. L302, 19.10.1992, p.1.  
(3) OJ No. L253, 11.10.1993, p.1.

## EXPLANATORY NOTE

*(This note is not part of the Order)*

Under Article 16.1E of Council Directive No. [77/388/EEC](#) (OJ No. L 145, 13.6.1977, p.1) as amended by Article 1.20 of Council Directive No. [91/680/EEC](#) (OJ No. L 376, 31.12.1991, p.1) member States may relieve from VAT certain supplies of goods and supplies of services relating to such supplies of goods, made whilst the goods are subject to certain customs arrangements.

This Order relieves from VAT certain transactions relating to second-hand goods and works of art whilst they are subject to temporary importation arrangements by treating those transactions as neither a supply of goods nor a supply of services.

**Changes to legislation:**

There are outstanding changes not yet made by the legislation.gov.uk editorial team to The Value Added Tax (Treatment of Transactions) Order 1995. Any changes that have already been made by the team appear in the content and are referenced with annotations.

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**Changes and effects yet to be applied to :**

- art. 2 substituted by [S.I. 1999/3119 art. 3](#)
- art. 2 substituted by [S.I. 2020/1545 reg. 27](#)
- art. 3(1) words omitted by [S.I. 2006/2187 art. 2\(1\)](#)
- art. 3(1) words substituted by [S.I. 2019/59 reg. 10\(2\)\(b\)](#) (This amendment not applied to legislation.gov.uk. Reg. 10(2)(b) omitted on IP completion day by virtue of S.I. 2020/1545, regs. 1, 104(4); S.I. 2020/1641, reg. 2, Sch.)
- art. 3(1) words substituted by [S.I. 2020/1545 reg. 28](#)
- art. 3(1)(a) words substituted by [S.I. 2019/59 reg. 10\(2\)\(a\)](#)
- art. 3(1)(b) words substituted by [S.I. 2019/59 reg. 10\(2\)\(a\)](#)
- art. 3(2) words inserted by [S.I. 2006/2187 art. 2\(2\)](#)

**Changes and effects yet to be applied to the whole Instrument associated Parts and Chapters:**

Whole provisions yet to be inserted into this Instrument (including any effects on those provisions):

- art. 2(b) words substituted by [S.I. 2021/1164 reg. 33](#)
- art. 4 inserted by [S.I. 2006/2187 art. 2\(3\)](#)
- art. 4(1)(b) words substituted by [S.I. 2019/59 reg. 10\(3\)\(a\)](#)
- art. 4(3) substituted by [S.I. 2019/59 reg. 10\(3\)\(b\)](#) (This amendment not applied to legislation.gov.uk. Reg. 10(3)(b) omitted on IP completion day by virtue of S.I. 2020/1545, regs. 1, 104(4); S.I. 2020/1641, reg. 2, Sch.)
- art. 4(3) substituted by [S.I. 2020/1545 reg. 29](#)