
STATUTORY INSTRUMENTS

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⁽¹⁾ 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.

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.

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;
- (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.

(1) 1994 c. 23.

(2) OJ No. L302, 19.10.1992, p.1.

(3) OJ No. L253, 11.10.1993, p.1.

(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.

30th March 1995

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

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.