

**2003 No. 862**

**VALUE ADDED TAX**

**The Value Added Tax (Place of Supply of Services)  
(Amendment) Order 2003**

*Made - - - - - 25th March 2003*

*Laid before the House of Commons 26th March 2003*

*Coming into force in accordance with article 1*

The Treasury, in exercise of the powers conferred upon them by section 7(11) of the Value Added Tax Act 1994(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 (Place of Supply of Services) (Amendment) Order 2003 and shall apply in relation to any services supplied on or after 1st July 2003.

2. The Value Added Tax (Place of Supply of Services) Order 1992(b) shall be amended in accordance with the following provisions of this Order.

3. After article 16 insert—

“16A. Where a supply consists of any services of a description specified in paragraph 7C of Schedule 5 to the Act and—

- (a) the recipient of the supply is a person who belongs in a member State;
- (b) he does not receive it for the purposes of a business carried on by him;
- (c) it is received from a person who belongs in a country, other than the Isle of Man, which is not a member State,

it shall be treated as made where the recipient belongs.”(c)

4. For the heading preceding article 17, substitute “Services supplied where enjoyed”.

5. In each of articles 17 and 18, for paragraph (b) substitute—

- “(b) services described in paragraph 7, 7A or 7B of Schedule 5 to the Act; or
- (c) services described in paragraph 7C of that Schedule, when received by a person for the purposes of a business carried on by him,”.

25th March 2003

*John Heppell*  
*Nick Ainger*  
Two of the Lords Commissioners of Her Majesty’s Treasury

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(a) 1994 c. 23.

(b) S.I. 1992/3121 as amended by S.I. 1995/3038, S.I. 1996/2992, S.I. 1997/1524 and S.I. 1998/763.

(c) Schedule 5 was amended by S.I. 1997/1523.

## EXPLANATORY NOTE

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

This Order applies to services supplied on or after 1st July 2003 and amends the Value Added Tax (Place of Supply of Services) Order 1992 (S.I. 1992/3121) (“the principal Order”) to give effect to Articles 9(2)(e), 9(2)(f), 9(3) and 9(4) of Council Directive 77/388/EEC (OJ No. L145, 13.6.77, p1) as amended by Council Directive 2002/38/EC (OJ No. L128, 15.5.02, p41).

Article 3 adds article 16A to the principal Order. It specifies the place of supply of electronically supplied services when supplied by suppliers belonging outside the Community to non-taxable persons belonging in the Community.

Article 4 amends the title pertaining to articles 17 and 18 to reflect their purpose.

Article 5 amends articles 17 and 18 of the principal Order to vary the normal place of supply of radio and TV broadcasting services and, in certain circumstances, electronically supplied services by:

- (a) a United Kingdom supplier where the effective use and enjoyment is outside the Community; and
- (b) a supplier outside the Community where the effective use and enjoyment is in the UK.

Schedule 5 to the Value Added Tax 1994 is amended with effect from 1st July 2003 by the Value Added Tax (Reverse Charge) (Amendment) Order 2003.

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