

EXPLANATORY NOTE

(This note is not part of the Order)

This Order brings section 22(2) of the Finance Act 2004 (c. 12) into force on 1st January 2005.

Section 22(2) inserts paragraph 1A into Schedule 6 to the Value Added Tax Act 1994 (c. 23) which introduces a new power to determine the value of a supply where a stock-in-trade motor car is supplied for a consideration by a motor dealer or motor manufacturer to an employee or other specified persons and the value of the supply is less than its open market value. Paragraph 1A gives the Commissioners the power to direct that the value of such a supply shall be taken to be its open market value.