

**2007 No. 2923**

**VALUE ADDED TAX**

**The Value Added Tax (Special Provisions) (Amendment) Order  
2007**

<i>Made</i>	- - - -	<i>10th October 2007</i>
<i>Laid before the House of Commons</i>		<i>11th October 2007</i>
<i>Coming into force</i>	- -	<i>1st November 2007</i>

The Treasury, in exercise of the powers conferred by section 5(3) of the Value Added Tax Act 1994<sup>(a)</sup> makes the following Order:

**1.** This Order may be cited as the Value Added Tax (Special Provisions) (Amendment) Order 2007 and comes into force on 1st November 2007 in relation to the use, on or after that date, of goods or land held or used for the purposes of a business.

**2.** The Value Added Tax (Special Provisions) Order 1995<sup>(b)</sup> is amended as follows.

**3.** After article 10 insert—

*“Goods put to private use or used, or made available for use, for non-business purposes*

**10A.** Paragraph 5(4) of Schedule 4 to the Act shall not apply to goods (including land treated as goods for the purposes of that paragraph by virtue of paragraph 9 of that Schedule) which have no economic life for the purposes of Part 15A of the Value Added Tax Regulations 1995<sup>(c)</sup> at the time when they are used or made available for use.”

10th October 2007

*Frank Roy*  
*Alan Campbell*  
Two of the Lords Commissioners of Her Majesty’s Treasury

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<sup>(a)</sup> 1994 c.23.

<sup>(b)</sup> S.I. 1995/1268 to which there are amendments not relevant to this Order.

<sup>(c)</sup> S.I. 1995/2518 as amended by S.I. 2007/2922 and other amendments not relevant to this Order.

## EXPLANATORY NOTE

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

This Order which comes into force on 1st November 2007 amends the Value Added Tax (Special Provisions) Order (S.I. 1995/1268) (“the Special Provisions Order”) in relation goods that are used for private or non-business purposes on or after that date.

Paragraph 5(4) and (5) of Schedule 4 to the Value Added Tax Act 1994 provides that a supply of services (“relevant supply”) occurs upon the private or non-business use of goods which are used or held for the purposes of a business and in respect of which credit under sections 25 and 26 of the Act or repayment under section 39 of the Act has been made in respect of VAT on their supply, importation or acquisition.

Part 15A of the Value Added Tax Regulations 1995 (S.I. 1995/2518) (“the Regulations”), which was inserted by the Value Added Tax (Amendment) (No. 6) Regulations 2007 (S.I. 2007/2922), provides for the calculation of the value of a relevant supply in respect of the private or non-business use of goods occurring during their economic life.

This Order inserts article 10A of the Special Provisions Order so that no relevant supply arises in respect of the private or non-business use of goods (including land treated as goods for the purposes of paragraph 5 of Schedule 4 to the Act by virtue of paragraph 9 of that Schedule) which have no economic life for the purposes of Part 15A of the Regulations at the time when such use occurs.

A full regulatory impact assessment of the effect that the change made by this Order will have on the costs of business is available at [www.hmrc.gov.uk](http://www.hmrc.gov.uk).

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