

2010 No. 2923

VALUE ADDED TAX

**The Value Added Tax (Place of Supply of Goods) (Amendment)
Order 2010**

Made - - - - - *8th December 2010*
Laid before the House of Commons *9th December 2010*
Coming into force - - - *1st January 2011*

The Treasury, in exercise of the powers conferred by section 7(11) of the Value Added Tax Act 1994 Act (a), make the following Order:

Citation, commencement and effect

1.—(1) This Order may be cited as the Value Added Tax (Place of Supply of Goods)(Amendment) Order 2010.

(2) This Order comes into force on 1st January 2011 and has effect in relation to supplies made on or after that date.

Amendment to the Value Added Tax (Place of Supply of Goods) Order 2004

2.—(1) The Value Added Tax (Place of Supply of Goods) Order 2004(b) is amended as follows.

(2) In the heading to Part 3 for “and Electricity” substitute “, Electricity, Heat or Cooling”.

(3) In article 9 for paragraph (c) substitute—

“(c) “relevant goods” means—

- (i) gas supplied through a natural gas system (i) situated within the territory of a member State or any network connected to such a system,
- (ii) electricity, and
- (iii) heat or cooling supplied through a network;”.

(4) In article 14 for “gas and electricity” substitute “certain goods”.

8th December 2010

Michael Fabricant
Angela Watkinson
Two of the Lords Commissioners of Her Majesty’s Treasury

(a) 1994 c. 23; section 7(11) was amended by section 76 and paragraphs 1 and 3 of Schedule 36 to the Finance Act 2009 (c. 10).

(b) S.I. 2004/3148, to which there is an amendment not relevant to this Order.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order, which comes into force on 1st January 2011, amends Part 3 of the Value Added Tax (Place of Supply of Goods) Order 2004 (S.I. 2004/3148) (“the Place of Supply Order”).

The Place of Supply Order specifies the rules which determine the place of supply for certain goods. Part 3 of the Place of Supply Order applies to supplies of gas and electricity.

Council Directive 2006/112/EC (OJ No L 347, 11.12.06, p1) (“the Principal VAT Directive”) establishes a common system of value added tax applicable throughout the European Union.

Articles 38 and 39 of the Principal VAT Directive were amended by Council Directive 2009/162/EU (OJ No L 10, 15.1.10, p14) with effect from 15th January 2010. Member States are required to transpose the amendments with effect from 1st January 2011.

Prior to that amendment those articles made provision for the place of supply of gas and electricity. The supply of gas was described as being through the natural gas distribution system. Following amendment the supply of gas is described as being through a natural gas system situated within the territory of the EU or any network connected to such a system and the provision now also applies to supplies of heat and cooling supplied through a network.

This Order amends the Place of Supply Order by changing the description of the supply of gas and adding the supply of heat and cooling supplied through a network to the category of goods to which the rules in Part 3 apply. This Order also amends Article 14 of the Place of Supply Order to change the description of the subject matter of section 9A of the Value Added Tax Act 1994.

A full regulatory impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.

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