

2018 No. 0000

VALUE ADDED TAX

**The Value Added Tax (Input Tax) (Specified Supplies)
(Amendment) Order 2018**

Made - - - - - ***
Laid before the House of Commons ***
Coming into force - - - *DATE*

The Treasury make the following Order in exercise of the power conferred by section 26(2)(c) of the Value Added Tax Act 1994(a).

Citation and commencement

1.—(1) This Order may be cited as the Value Added Tax (Input Tax) (Specified Supplies) (Amendment) Order 2018 and comes into force on [DATE].

(2) The amendments made by this Order have effect in relation to supplies of services made on or after [DATE].

Amendment of the Value Added Tax (Input Tax) (Specified Supplies) Order 1999

2. The Value Added Tax (Input Tax) (Specified Supplies) Order 1999(b) is amended as follows.

3. In article 3—

- (a) for “the supply is exempt, or would have been exempt ” substitute “the transaction specified in paragraph (a) or (b) above is an exempt supply, or would have been an exempt supply”;
- (b) for “any item of Group 2” substitute “item 1 of Group 2”;
- (c) for “items 1 to 6 and item 8 of Group 5” substitute “ items 1 to 4, 5A, 6 and 8 of Group 5”.

Date *Name*
Name
Two of the Lords Commissioners of Her Majesty’s Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends article 3 of the Value Added Tax (Input Tax) (Specified Supplies) Order 1999 to restrict its application in certain circumstances to deal with avoidance which consists of

(a) 1994 c. 23.
(b) SI 1999/3121.

service providers that belong outside the European Union entering into arrangements with intermediaries that belong in the United Kingdom in order to be able to recover input tax in relation to supplies despite the fact that the final consumers of the supplies are persons who belong in the United Kingdom.

The effect of the Order is to ensure that input tax recovery is limited to cases where the final consumers of the supplies belong outside the United Kingdom as intended.

A Tax Information and Impact Note covering this instrument will be published on the website at <https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins>.