

EXPLANATORY NOTE

**AMENDMENTS TO CLAUSE 195 AND SCHEDULE 26:
CATEGORISATION OF SUPPLIES AND ANTI-FORESTALLING
CHARGE TO VALUE ADDED TAX**

SUMMARY

1. The amendments to clause 195 and Schedule 26 make changes to:
 - introduce a New Schedule 1 (Categorisation of Supplies), and
 - amend Schedule 26 to reflect that the anti-forestalling charge will apply to the imposition of VAT on certain supplies described in the New Schedule 1, and not in an Order.

DETAILS OF THE AMENDMENTS

2. Amendment 17 inserts a new sub-section in clause 195 to introduce the New Schedule 1 (Categorisation of Supplies).
3. Amendments 18, 19 and 20 amend paragraph 1 of Schedule 26 to reflect that the anti-forestalling charge applies to supplies of approved alterations to listed buildings and self-storage as described in the New Schedule 1 (Categorisation of Supplies), rather than in an Order.

BACKGROUND NOTE

4. These amendments to clause 195 and Schedule 26 are technical changes necessary to reflect that the VAT liability changes are no longer to be made by Order.
5. In his Budget Statement of 21 March 2012, the Chancellor announced changes to the VAT liability of the grant of facilities for self storage of goods and of approved alterations of protected buildings with effect from 1 October 2012. On 21 March 2012, the Exchequer Secretary to the Treasury, in a Written Ministerial Statement, explained that the Government would introduce anti-forestalling legislation to ensure that these liability changes have effect in relation to any supplies which are treated as being made after 21 March 2012 but are performed or used on or after 1 October 2012. The charge is treated as VAT and is due on 1 October 2012.