

*Order made by the Treasury, laid before the House of Commons under section 97(3) of the Value Added Tax Act 1994 for approval by resolution of that House within twenty-eight days beginning with the day on which the Order was made, subject to extension for periods of dissolution, prorogation or adjournment for more than four days.*

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STATUTORY INSTRUMENTS

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**2014 No. 2726**

**VALUE ADDED TAX**

**The Value Added Tax (Place of Supply of Services) (Exceptions Relating to Supplies Not Made to Relevant Business Person) Order 2014**

<i>Made</i>	- - - -	<i>13th October 2014</i>
<i>Laid before the House of Commons</i>	- - - -	<i>14th October 2014</i>
<i>Coming into force</i>	- -	<i>1st January 2015</i>

The Treasury, in exercise of the power conferred by section 7A(6)(b) of the Value Added Tax Act 1994<sup>(1)</sup>, make the following Order:

**Citation and commencement**

1. (1) This Order may be cited as the Value Added Tax (Place of Supply of Services) (Exceptions Relating to Supplies Not Made to Relevant Business Person) Order 2014.

(2) This Order comes into force on 1st January 2015 and has effect in relation to supplies made on or after that date.

**Amendment to Part 3 of Schedule 4A to the Value Added Tax Act 1994**

2. Part 3 of Schedule 4A to the Value Added Tax Act 1994 (place of supply of services: special rules: exceptions relating to supplies not made to relevant business person)<sup>(2)</sup> is amended as follows.

3. (1) For paragraph 15 (electronic services), substitute—

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(1) 1994 c.23; section 7A was inserted by section 76 of, and paragraphs 1 and 4 of Part 1 of Schedule 36 to, the Finance Act 2009 (c.10).

(2) Schedule 4A was inserted by section 76 of, and paragraphs 1 and 11 of Part 1 of Schedule 36 to, the Finance Act 2009. It was amended by section 76 of, and paragraphs 1, 15 and 17 of Part 2 of Schedule 36 to, the Finance Act 2009, by S.I. 2010/3017 and by S.I.2012/2787.

“15. (1) A supply to a person who is not a relevant business person of services to which this paragraph applies is to be treated as made in the country in which the recipient belongs (but see paragraph 8).

(2) This paragraph applies to-

- (a) electronically supplied services (as to the meaning of which see paragraph 9(3) and (4)),
- (b) telecommunication services (as to the meaning of which see paragraph 8(2)), and
- (c) radio and television broadcasting services.”

(2) For the heading before paragraph 15, substitute “Electronically supplied, telecommunication and broadcasting services”.

4. In sub-paragraph (2) of paragraph 16 (other services provided to recipient belonging outside EC)—

- (a) omit paragraphs (i), (j) and (k), and
- (b) insert “and” after paragraph (g).

13th October 2014

*Mark Lancaster*  
*Gavin Barwell*  
Two of the Lords Commissioners of Her  
Majesty’s Treasury

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## EXPLANATORY NOTE

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

This Order, which has effect in relation to supplies made on or after 1st January 2015, amends Part 3 of Schedule 4A to the Value Added Tax Act 1994 (place of supply of services: special rules: exceptions relating to supplies not made to relevant business person).

Article 3 substitutes a new paragraph 15 which provides that a supply of services to a person who is not a relevant business person of services to which the paragraph applies is made in the country in which the recipient belongs. The paragraph applies to electronically supplied services, telecommunication services and broadcasting services.

Article 4 amends paragraph 16. Paragraph 16 provides that a supply of services to which that paragraph applies when provided to a person who is not a relevant business person and who belongs in a country which is not a member State (other than the Isle of Man) is to be treated as made in the country in which the recipient belongs.

These amendments are required to implement Articles 58 and 59 of Council [Directive 2006/112/EC](#) on the common system of value added tax<sup>(3)</sup> as amended with effect from 1st January 2015 by Council [Directive 2008/8/EC](#) amending [Directive 2006/112/EC](#) as regards the place of supply of services<sup>(4)</sup>. A Transposition Note explaining how these provisions are transposed into UK law is annexed to the Explanatory Memorandum which is available alongside this Order on the National Archives website <http://www.legislation.gov.uk>.

A Tax Information and Impact Note covering this instrument was published at Autumn Statement 2013 and is available on the HMRC website at [HM Revenue & Customs: Tax Information and Impact Notes \(TIINs\)](#). It remains an accurate summary of the impacts that apply to this instrument.

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(3) OJ No L 347, 11.12.2006, p 1-118.

(4) OJ No L 44, 20.2.2008, p 11-22.