



## VALUE ADDED TAX ACT 1996

### VALUE ADDED TAX (UNITED KINGDOM) ORDER 1996

*Approved by Tynwald*

*20<sup>th</sup> March 1996*

*Coming into operation*

*1<sup>st</sup> March 1996*

In exercise of the powers conferred on the Treasury by section 97 of the Value Added Tax Act 1996<sup>(a)</sup>, and of all other powers enabling it in that behalf, the following Order is hereby made:-

#### **Citation and commencement**

1. (1) This Order may be cited as the Value Added Tax (United Kingdom) Order 1996 and shall come into operation on 1<sup>st</sup> March 1996.

(2) In this Order -

“the United Kingdom Act” means the Value Added Tax Act 1994<sup>(b)</sup>, an Act of Parliament;

“the Manx Act” means the Value Added Tax Act 1996; and

“Commissioners” means the Commissioners of Customs and Excise.

(3) For the purposes of this Order:-

(a) a supply shall be treated as made in the Isle of Man if it would be so treated under section 7 of the Manx Act if Article 2 below were disregarded; and

(b) a supply shall be treated as made in the United Kingdom if it would be so treated under section 7 of the Manx Act if it were amended by substituting for the words “Island” wherever it occurs the words “United Kingdom”.

(4) For the purposes of this Order:-

(a) an acquisition shall be treated as made in the Isle of Man if it would be so treated under section 10 of the Manx Act if Article 2 were disregarded; and

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<sup>(a)</sup> 1996 c.1.

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

- (b) an acquisition shall be treated as made in the United Kingdom if it would be so treated under section 10 if it were amended by substituting for the words “Island” wherever it occurs the words “United Kingdom”.

2. Subject to the provisions of this Order, the Manx Act shall have effect as if the Island were part of the United Kingdom.

3. (1) Notwithstanding Article 2, the removal of goods to the Island from the United Kingdom shall be treated for the purposes of the Manx Act as the importation of those goods into the Island if they are goods which have previously been imported into or supplied in the Island or the United Kingdom and either:-

- (a) VAT was chargeable on that previous importation or supply under the United Kingdom Act but was not accounted for or paid at the rate which would have applied under the Manx Act if the importation had been made into, or the supply had been made in, the Island; or
- (b) that previous importation or supply was wholly or partly relieved from VAT chargeable under the United Kingdom Act subject to a condition and that condition has not been complied with.

(2) The amount of VAT chargeable under the Manx Act on the removal into the Island from the United Kingdom of such goods as are mentioned in paragraph (1) shall be reduced by an amount equal to any VAT chargeable under the United Kingdom Act which has been accounted for or paid on any earlier importation of those goods into, or supply of those goods in, the Island or the United Kingdom.

4. The provisions of this Order shall not apply to supplies made in the Island and which fall within paragraph 5 of Schedule 1 of the Manx Act.

5. Any requirement imposed by or under the United Kingdom Act shall be treated as a requirement imposed by or under the Manx Act.

6. Any permission, direction, notice, determination or other thing given, made or done under the United Kingdom Act by the Commissioners shall be treated as given, made or done by the Treasury under the Manx Act.

7. Sections 16, 24(1), (2), (5) and (6), 25(7), 30, 32, 33, 35, 36, 39 and 95(3) of, and paragraphs 4, 5 and 10 of Schedule 12 to, the Manx Act shall have effect as if the reference to VAT in those sections included references to VAT chargeable under the United Kingdom Act.

8. A person who is a taxable person for the purposes of the United Kingdom Act shall be treated as a taxable person for the purposes of sections 18, 30, 38 and 83 of, and paragraphs 2 and 8 of Schedule 12, and Group 13 of Schedule 9 to, the Manx Act.

9. Section 35 of the Manx Act shall not apply to the construction of dwellings in the United Kingdom.

10. (1) This Article shall have effect for enabling the Treasury to determine for the purposes of section 43 of the Manx Act which member of a group is to be the representative member in cases where supplies are made both in the Island and in the United Kingdom.

(2) Where bodies corporate, which are treated as members of a group under the said section 43 have establishments in both the Island and the United Kingdom, or do not have an establishment in either country, the Treasury may at any time determine that another member of the group shall be substituted as the representative member from such date as they may determine.

11. (1) For the purposes of Articles 10 a person shall be deemed to have an establishment in a country if -

- (a) there is a place in that country from which he carries on a business; or
- (b) he carries on business through a branch or agent in that country.

(2) For the purposes of paragraph (1) an agent is a person who has the authority or capacity to create legal relations between his principal and a third party.

Made this 21<sup>st</sup> day of February 1996

Signed by D J Gelling  
Minister for the Treasury

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**EXPLANATORY NOTE**

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

This Order ensures that liabilities arising under the United Kingdom Value Added Tax Act 1994 can be regarded as if arising under the Manx Act.

The Order also ensures that directions, permissions, requirements etc made under the United Kingdom Act can be treated as if made under the Manx Act.