STATUTORY INSTRUMENTS

2017 No. 778

VALUE ADDED TAX

The Value Added Tax (Place of Supply of Services) (Telecommunication Services) Order 2017

Approved by the House of Commons

	at 9.00 a.m. on 20th
Made - - - -	*July 2017*
Laid before the House of	*at 1.30 p.m. on 20th*
Commons - - - -	*July 2017*
Coming into force - -	*1st November 2017*

The Treasury make the following Order in exercise of the power conferred by section 7A(6)(b) and (7) of the Value Added Tax Act 1994(**1**).

Citation and commencement

1.—(1) This Order may be cited as the Value Added Tax (Place of Supply of Services) (Telecommunication Services) Order 2017 and comes into force on 1st November 2017.

(2) The amendments made by this Order have effect in relation to supplies of services made on or after 1st November 2017.

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

2. In Part 1 (general exceptions) of Schedule 4A to the Value Added Tax Act 1994(**2**) (place of supply of services: special rules)—

(a) in the heading to paragraph 8 omit "Telecommunication and";

(b) in paragraph 8(1) omit paragraph (a); and

(c) omit paragraph 8(2).

3. In Part 2 (exceptions relating to supplies made to relevant business person) of Schedule 4A to the Value Added Tax Act 1994, after paragraph 9D insert—

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

(**2**) Schedule 4A was both inserted and amended from a later date by Schedule 36 to the Finance Act 2009; see paragraphs 1, 11, 15 and 17 of Schedule 36, as read with the definition of "VATA 1994" in section 126(1) of that Act. Further amendments have been made by S.I. 2010/3017, 2011/1043, 2012/2787, 2014/2726 and 2016/726.

"**Telecommunication services**

9E.—(1) This paragraph applies to a supply of services to a relevant business person consisting of the provision of telecommunication services.

(2) In this Schedule "telecommunication services" means services relating to the transmission, emission or reception of signals, writing, images and sounds or information of any nature by wire, radio, optical or other electromagnetic systems, including—

(a) the related transfer or assignment of the right to use capacity for such transmission, emission or reception, and

(b) the provision of access to global information networks.

(3) Where—

(a) a supply of services to which this paragraph applies would otherwise be treated as made in the United Kingdom, and

(b) the services are to any extent effectively used and enjoyed in a country which is not a member State,

the supply is to be treated to that extent as made in that country.

(4) Where—

(a) a supply of services to which this paragraph applies would otherwise be treated as made in a country which is not a member State, and

(b) the services are to any extent effectively used and enjoyed in the United Kingdom,

the supply is to be treated to that extent as made in the United Kingdom.".

4. In Part 3 (exceptions relating to supplies not made to relevant business person) of Schedule 4A to the Value Added Tax Act 1994, in sub-paragraph (2)(b) of paragraph 15 (electronically supplied, telecommunication and broadcasting services) for "paragraph 8(2)" substitute "paragraph 9E(2)".

Consequential amendments to the Value Added Tax Act 1994

5. In section 47(6) (agents etc.) of the Value Added Tax Act 1994(**3**) for "paragraph 8(2)" substitute "paragraph 9E(2)".

6. In paragraph 3(2) (qualifying supplies) in Part 1 (non-union scheme: registration) of Schedule 3B (electronic, telecommunication and broadcasting services: non-union scheme) to the Value Added Tax Act 1994(**4**) for "paragraph 8(2)" substitute "paragraph 9E(2)".

7. In paragraph 2(2) (meaning of "scheme services") in Part 1 (introduction) of Schedule 3BA (electronic, telecommunication and broadcasting services: union scheme) to the Value Added Tax Act 1994(**5**) for "paragraph 8(2)" substitute "paragraph 9E(2)".

Consequential amendment to the Value Added Tax (Section 55A) (Specified Services and Excepted Supplies) Order 2016

8. In article 4(2) of the Value Added Tax (Section 55A) (Specified Services and Excepted Supplies) Order 2016(**6**) for "8(2)" substitute "9E(2)".

(**3**) Section 47(6) was inserted by section 106 of the Finance Act 2014 (c. 26).
(**4**) Schedule 3B was inserted by section 23 of, and paragraphs 1 and 4 of Schedule 2 to, the Finance Act 2003 (c. 14); relevant amendments have been made by paragraphs 3 to 10 of Schedule 22 to the Finance Act 2014.
(**5**) Schedule 3BA was inserted by paragraph 1 of Schedule 22 to the Finance Act 2014.
(**6**) S. I. 2016/12.