STATUTORY INSTRUMENTS

1973 No. 595

VALUE ADDED TAX

The Value Added Tax (United Kingdom and Isle of Man) Order 1973

Made - - - -	*29th March* 1973
Coming into Operation	*29th March* 1973

At the Court at Buckingham Palace, the 29th day of March 1973

Present,

The Queen's Most Excellent Majesty in Council

Whereas an Act of Tynwald entitled the Value Added Tax and Other Taxes Act 1973(**a**) has been passed making, in relation to the Isle of Man, provision similar to the provision made by Part I of the Finance Act 1972(**b**) with respect to value added tax :

Now, therefore, Her Majesty, in pursuance of section 50 of the Finance Act 1972 and of all other powers enabling Her in that behalf, is pleased, by and with the advice of Her Privy Council, to order, and it is hereby ordered, as follows—

1.—(1) This Order may be cited as the Value Added Tax (United Kingdom and Isle of Man) Order 1973 and shall come into operation on 29th March 1973.

(2) In this Order—

" the United Kingdom Act " means the Finance Act 1972.

" the Isle of Man Act " means the Value Added Tax and Other Taxes Act 1973.

(3) The Interpretation Act 1889(**c**) shall apply for the interpretation of this Order as it applies for the interpretation of an Act of Parliament.

2.—(1) The removal of goods from the United Kingdom into the Isle of Man or from the Isle of Man into the United Kingdom shall not be treated for the purposes either of Part I of the United Kingdom Act or of Part I of the Isle of Man Act as an importation or exportation of the goods.

(2) The exportation from the Isle of Man of goods which have been removed into the Isle of Man from the United Kingdom shall be treated for the purposes of Part I of the United Kingdom Act as an exportation of those goods from the United Kingdom and the exportation from the United Kingdom of goods which have been removed into the United Kingdom from the Isle of Man shall be treated for the purposes of Part I of the Isle of Man Act as an exportation of those goods from the Isle of Man and references to re-exportation in section 16(3) of the United Kingdom Act and in section 16(3) of the Isle of Man Act shall be construed accordingly.

(a) Acts of Tynwald 1973 Ch. 17. (b) 1972 c. 41. (c) 1889 c. 63.

3. Tax charged under Part I of the United Kingdom Act or under Part I of the Isle of Man Act shall not be charged under both Acts in respect of the same transaction.

4. Where a person is liable to be registered both under Part I of the United Kingdom Act and under Part I of the Isle of Man Act, the Commissioners shall register him under one or other of those Acts, as they may determine, but not under both.

5.—(1) Section 12(5) of the United Kingdom Act shall have effect as if for the words " United Kingdom " in both places where they occur there were substituted " United Kingdom and the Isle of Man ".

(2) Section 12(6) of the United Kingdom Act shall have effect as if for the words " United Kingdom " in paragraph (*b*) there were substituted " United Kingdom and the Isle of Man ".

(3) The following provisions of Part I of the United Kingdom Act shall have effect as if for the words " United Kingdom " in each place where they occur there were substituted " United Kingdom or the Isle of Man "—

Section 2(4)

Section 12(8)

Section 16(2)

Section 21(3)

Section 24(1)

Section 46(1) and (4)

Schedule 4, Group 9, Item 6 and notes (3), (4) and (5).

(4) Section 49 of the United Kingdom Act shall have effect as if for the words " United Kingdom " in the second place where they occur there were substituted " United Kingdom or the Isle of Man ".

(5) In Schedule 4 to the United Kingdom Act, in Group 10 for Item 5, there shall be substituted—

" Transport of passengers or freight outside both the United Kingdom and the Isle of Man or to or from a place outside both the United Kingdom and the Isle of Man ".

6.—(1) Section 12(5) of the Isle of Man Act shall have effect as if for the words " Isle of Man " in both places where they occur there were substituted " Isle of Man and the United Kingdom ".

(2) Section 12(6) of the Isle of Man Act shall have effect as if for the words " Isle of Man " in paragraph (*b*) there were substituted " Isle of Man and the United Kingdom ".

(3) The following provisions of Part I of the Isle of Man Act shall have effect as if for the words " Isle of Man " in each place where they occur there were substituted " Isle of Man or the United Kingdom "—

Section 2(4)

Section 12(8)

Section 16(2)

Section 21(3)

Section 24(1)

Section 44(1) and (4)

Schedule 4, Group 9, Item 6 and notes (3), (4) and (5).

(4) Section 47 of the Isle of Man Act shall have effect as if for the words " Isle of Man " in the second place where they occur there were substituted " Isle of Man or the United Kingdom ".

(5) In Schedule 4 to the Isle of Man Act in Group 10, for Item 5 there shall be substituted—

" Transport of passengers or freight outside both the Isle of Man and the United Kingdom or to or from a place outside both the Isle of Man and the United Kingdom ".

7. The following provisions of Part I of the United Kingdom Act shall have effect as if for the words " United Kingdom " there were substituted " United Kingdom and the Isle of Man "—

Schedule 4, Group 9, Items 9 and 10 and notes (1) and (2).

8. The following provisions of Part I of the Isle of Man Act shall have effect as if for the words " Isle of Man " there were substituted " Isle of Man and the United Kingdom "—

Schedule 4, Group 9, Items 9 and 10 and notes (1) and (2).

9. In the Value Added Tax (General) Regulations 1972(**a**)—

(1) In Regulation 30(6) for the words " United Kingdom " in each place where they occur there shall be substituted " United Kingdom or the Isle of Man, or both in the United Kingdom and in the Isle of Man ".

(2) In Regulations 37(3), 39, 40, 43(1)(*b*) and 43(2) for the words " United Kingdom " wherever they occur there shall be substituted " United Kingdom or the Isle of Man ".

(3) In Regulation 44, for the words " United Kingdom " in the first place where they occur, there shall be substituted " United Kingdom or the Isle of Man " and for the words " United Kingdom " in the second place where they occur there shall be substituted " United Kingdom and outside the Isle of Man ".

(4) In Regulation 45, for the words " United Kingdom " in the first place where they occur, there shall be substituted " United Kingdom or the Isle of Man " and for the words " United Kingdom " in the second place where they occur there shall be substituted " United Kingdom and outside the Isle of Man ".

10. In the Value Added Tax (General) (Amendment) Regulations 1973(**b**)—

(1) The following provisions shall have effect as if for the words " United Kingdom " in each place where they occur there were substituted " United Kingdom or the Isle of Man "

Regulation 10, inserting a new Regulation 39A,

Regulation 11, inserting a new Regulation 41A,

Regulation 12, substituting a new Regulation 42.

(2) In Regulation 13, for the words " United Kingdom " in the first place where they occur in new Regulation 42A(*a*)(ii), there shall be substituted the words " United Kingdom or the Isle of Man ".

(**a**) S.I. 1972/1147 (1972 II, p. 3362). (**b**) S.I. 1973/244 (1973 I, p. 909).

(3) In Regulation 14, for the words " United Kingdom " in new paragraph (1)(*a*)(ii), there shall be substituted " United Kingdom or the Isle of Man to a destination outside both the United Kingdom and the Isle of Man ".

(4) In Regulation 15—

(i) for the words " United Kingdom " in new Regulation 43A(1)(*a*) there shall be substituted " United Kingdom or the Isle of Man to a destination outside both the United Kingdom and the Isle of Man ".

(ii) for the words " United Kingdom " in new Regulation 43A(1)(*b*) and 43A(2) there shall be substituted " United Kingdom or the Isle of Man ".

11. In the Input Tax (Exceptions) (No. 3) Order 1972(**a**)—

(1) In Article 2(5) for the words " United Kingdom " in the first place where they occur in sub-paragraph (*a*) there shall be substituted " United Kingdom or the Isle of Man " and for the words " United Kingdom " in the second place where they occur in sub-paragraph (*a*) there shall be substituted " United Kingdom and the Isle of Man ".

(2) In Article 2(5) for the words " United Kingdom " in the first place where they occur in sub-paragraph (*b*) there shall be substituted " United Kingdom or the Isle of Man ", and for the words " United Kingdom " in the second place where they occur in sub-paragraph (*b*) there shall be substituted " United Kingdom and the Isle of Man ".

12. In the Value Added Tax (General) (No. 1) Order 1973(**b**)—

(1) For the words " United Kingdom " in the following places where they occur

(*a*) Article 5

(*b*) the first two places in Item No. 2 in new Group 15 in Article 9

there shall be substituted " United Kingdom or the Isle of Man ".

(2) For the words " United Kingdom " in the following places where they occur, namely Notes 3 and 4 to new Group 15 in Article 9 there shall be substituted " United Kingdom and the Isle of Man ".

(3) For the words " the United Kingdom " in the following places where they occur

(*a*) both places in new Item 11 in Article 7(**a**)

(*b*) the third place in Item 2 in new Group 15 in Article 9, and

(*c*) Note (5) in new Group 15 in Article 9

there shall be substituted " both the United Kingdom and the Isle of Man ".

13. In the Value Added Tax (Imported Goods) Relief (No. 1) Order 1973(**c**)—

(1) For the words " United Kingdom " in Article 2(2) there shall be substituted " United Kingdom and the Isle of Man ".

(2) For the words " United Kingdom " in Articles 5(*b*) and 6 there shall be substituted " United Kingdom or the Isle of Man ".

(**a**) S.I. 1972/1167 (1972 II, p. 3469). (**b**) S.I. 1973/324 (1973 I, p. 1128).
(**c**) S.I. 1973/327 (1973 I, p. 1135).

14. In the Schedule to the Value Added Tax (Finance and Insurance) Order 1973(**a**)—

(1) For the words " United Kingdom " in the following places where they occur—

(*a*) the first two places in paragraph 1

(*b*) paragraph 3(*a*)

(*c*) the second place in paragraph 4(*b*)

there shall be substituted " United Kingdom or the Isle of Man ".

(2) For the words " the United Kingdom " in the following places where they occur—

(*a*) the second place in paragraph 1(*b*)

(*b*) paragraph 3(*b*)

(*c*) the first two places in paragraph 4

there shall be substituted " both the United Kingdom and the Isle of Man ".

15.—(1) Section 8 of the United Kingdom Act shall be amended by adding to subsection (5) the following—

" Provided that, where services consist of transport between places of which one is in the United Kingdom and the other is in the Isle of Man, the services shall be treated as supplied in the United Kingdom if the transport is from the United Kingdom, and as supplied in the Isle of Man if the transport is from the Isle of Man ".

(2) Section 8 of the Isle of Man Act shall be amended by adding to subsection (5) the following—

" Provided that, where services consist of transport between places of which one is in the Isle of Man and the other is in the United Kingdom, the services shall be treated as supplied in the Isle of Man if the transport is from the Isle of Man, and as supplied in the United Kingdom if the transport is from the United Kingdom ".

16. In Schedule 6 to the United Kingdom Act, the expression " England and Wales " in paragraphs 1 and 7, and the expression " United Kingdom " in paragraph 2, shall include the Isle of Man.

17. In the Value Added Tax Tribunals Rules 1972(**b**) in Rule 9(1) for the words " United Kingdom " there shall be substituted " United Kingdom or the Isle of Man ".

18. Section 2 of the Isle of Man Act 1958(**c**) (Isle of Man share of certain duties) shall apply as if value added tax, including value added tax imposed by the Value Added Tax and Other Taxes Act 1973(**d**) was included among the duties mentioned in subsection (4) of that section and as if the reference in subsection (2)(*a*) of that section to goods consumed or used in the Isle of Man, included a reference to services supplied in the Island.

W. G. Agnew.

(**a**) S.I. 1973/392 (1973 I, p. 1343).
(**b**) S.I. 1972/1344 (1972 II, p. 4063).
(**c**) 1958 c. 11.
(**d**) Acts of Tynwald 1973 Ch. 17.

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order makes the necessary provisions to secure that value added tax shall be charged under either the Finance Act 1972 (an Act of Parliament) or the Value Added Tax and Other Taxes Act 1973 (an Act of Tynwald) as if references therein to the United Kingdom or the Isle of Man included both places but that tax is not charged under both Acts in respect of the same transaction. It provides that persons who are taxable persons for the purposes of either Act shall be treated as taxable persons for the purposes of the other Act also, and that the removal of goods between the United Kingdom and the Isle of Man shall not be treated for the purposes of either Act as an importation or exportation of the goods. The Order also provides for the arrangements for the sharing of revenue between the United Kingdom and the Isle of Man to be applied to value added tax.

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