STATUTORY INSTRUMENTS

1978 No. 273

VALUE ADDED TAX

The Value Added Tax (United Kingdom and Isle of Man) (Consolidation) Order 1978

Made - - - -	1*st March* 1978
Coming into Operation -	1*st March* 1978

At the Court at Buckingham Palace, the 1st day of March 1978

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) (Consolidation) Order 1978 and shall come into operation on 1st March 1978.

(2) In this Order—

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

"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

(a) Acts of Tynwald 1973 Ch. 1. (b) 1972 c. 41.
(c) 1889 c. 63.

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.

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 11(2)(*a*) 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".

(2) 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".

(3) 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".

(4) Section 24(2A) of the United Kingdom Act shall have effect as if, for the words "United Kingdom" in the first place where they occur, there were substituted "United Kingdom or the Isle of Man", and, in the second place where they occur, there were substituted "United Kingdom and the Isle of Man".

(5) The following provisions of Part I of the United Kingdom Act shall have effect as if, for the words "United Kingdom" wherever they occur, there were substituted "United Kingdom or the Isle of Man"—

Section 2(1) and (2),
Section 5(1) and (3)(*a*),
Section 12(8),
Section 16(2),
Section 21(3),
Section 24(1),
Section 46(4).

(6) Section 5(2) 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".

(7) Section 8B(1) of the United Kingdom Act shall have effect as if, for the words "United Kingdom" in paragraph (*a*), there were substituted "United Kingdom or the Isle of Man".

(8) 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".

6.—(1) Section 11(2)(*a*) 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".

(2) 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".

(3) 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".

(4) Section 24(2A) of the Isle of Man Act shall have effect as if, for the words "Isle of Man" in the first place where they occur, there were substituted "Isle of Man or the United Kingdom", and, in the second place where they occur, there were substituted "Isle of Man and the United Kingdom".

(5) The following provisions of the Isle of Man Act shall have effect as if, for the words "Isle of Man" wherever they occur, there were substituted "Isle of Man or the United Kingdom"—

Section 2(1) and (2),
Section 5(1), (2) and (3)(*a*),
Section 12(8),
Section 16(2),
Section 21(3),
Section 24(1),
Section 44(4).

(6) Section 8B(1) of the Isle of Man Act shall have effect as if, for the words "Isle of Man" in paragraph (*a*), there were substituted "Isle of Man or the United Kingdom".

(7) 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".

7.—(1) Section 18(2) of the Finance (No. 2) Act 1975(**a**) shall have effect as if, for the words "Part I of the Finance Act 1972" in paragraph (*a*) thereof, there were substituted "either Part I of the Finance Act 1972 or Part I of the Value Added Tax and Other Taxes Act 1973".

(2) Section 2(2) of the Value Added Tax and Car Tax (No. 2) Order 1975(**b**) shall have effect as if, for the words "Part I of the Value Added Tax and Other Taxes Act 1973" in paragraph (*a*) thereof, there were substituted "either Part I of the Value Added Tax and Other Taxes Act 1973 or Part I of the Finance Act 1972".

8. The Value Added Tax (Imported Goods) Relief (No. 1) Order 1973(**c**) shall have effect as if—

(1) in Article 2(2), for the words "United Kingdom", there were substituted "United Kingdom and the Isle of Man";

(2) in Articles 5(*b*) and 6, for the words "United Kingdom", there were substituted "United Kingdom or the Isle of Man".

(**a**) 1975 c. 45. (**b**) Government Circular 95/75. (**c**) S.I. 1973/327.

9. The Value Added Tax (Isle of Man) (Imported Goods) Relief Order 1974(**a**) shall have effect as if—

(1) in Article 2(2), for the words "Isle of Man", there were substituted "Isle of Man and the United Kingdom";

(2) in Articles 5(*b*) and 6, for the words "Isle of Man" there were substituted "Isle of Man or the United Kingdom".

10.—(1) The Value Added Tax ("Do-It-Yourself" Builders) (Relief) Regulations 1975(**b**) shall have effect as if, for the words "United Kingdom" in the Schedule thereto, there were substituted the words "United Kingdom or the Isle of Man".

(2) The Value Added Tax (Isle of Man) ("Do-It-Yourself" Builders) (Relief) Regulations 1975(**c**) shall have effect as if the reference to the United Kingdom in the Schedule thereto, as construed under Regulation 2(2) thereof, was a reference to the Isle of Man or the United Kingdom.

11.—(1) The Value Added Tax (Imported Goods) Relief Order 1975(**d**) shall have effect as if, for the words "United Kingdom" in Articles 3 and 5 thereof, there were substituted the words "United Kingdom or the Isle of Man".

(2) The Value Added Tax (Isle of Man) (Imported Goods) Relief Order 1975(**e**) shall have effect as if, for the words "Isle of Man" in Articles 3 and 5 thereof, there were substituted "Isle of Man or the United Kingdom".

12. The Value Added Tax (General) Regulations 1977(**f**) shall have effect as if—

(1) in Regulation 30(11), for the words "United Kingdom" in both places where they occur, there were substituted "United Kingdom or the Isle of Man or both in the United Kingdom and the Isle of Man";

(2) in Regulations 30(4), (5), (7) and (10), 37(3), 39, 40, 41, 42, 44, 45, 47(1)(*b*), 47(2), 48(1)(*b*), 48(2) and 55, for the words "United Kingdom" wherever they occur, there were substituted "United Kingdom or the Isle of Man";

(3) in Regulation 46(*a*)(ii), for the words "United Kingdom" in the first place where they occur, there were substituted "United Kingdom or the Isle of Man", and, in the second place where they occur, there were substituted "United Kingdom or the Isle of Man to a destination outside both the United Kingdom and the Isle of Man";

(4) in Regulations 47(1)(*a*)(ii) and 48(1)(*a*), for the words "United Kingdom", there were substituted "United Kingdom or the Isle of Man to a destination outside both the United Kingdom and the Isle of Man";

(5) in Regulations 49 and 50, for the words "United Kingdom" in the first place where they occur in each Regulation, there were substituted "United Kingdom or the Isle of Man", and, in the second place where they occur in each Regulation, there were substituted "United Kingdom and the Isle of Man".

(a) Government Circular 104/74.
(b) S.I. 1975/649.
(c) Government Circular 69/75.
(d) S.I. 1975/1491.
(e) Government Circular 115/75.
(f) S.I. 1977/1759.

13. The Value Added Tax (Isle of Man) (General) Regulations 1977(**a**) shall have effect as if—

(1) in Regulation 30(11), for the words "Isle of Man" in both places where they occur, there were substituted "Isle of Man or the United Kingdom or both in the Isle of Man and the United Kingdom";

(2) in Regulations 30(4), (5), (7) and (10), 37(3), 39, 40, 41, 42, 44, 45, 47(1)(*b*), 47(2), 48(1)(*b*), 48(2) and 55, for the words "Isle of Man" wherever they occur, there were substituted "Isle of Man or the United Kingdom";

(3) in Regulation 46(*a*)(ii), for the words "Isle of Man" in the first place where they occur, there were substituted "Isle of Man or the United Kingdom", and, in the second place where they occur, there were substituted "Isle of Man or the United Kingdom to a destination outside both the Isle of Man and the United Kingdom";

(4) in Regulations 47(1)(*a*)(ii) and 48(1)(*a*), for the words "Isle of Man", there were substituted "Isle of Man or the United Kingdom to a destination outside both the Isle of Man and the United Kingdom";

(5) in Regulations 49 and 50, for the words "Isle of Man" in the first place where they occur in each Regulation, there were substituted "Isle of Man or the United Kingdom", and, in the second place where they occur in each Regulation, there were substituted "Isle of Man and the United Kingdom".

14. The Value Added Tax (Special Provisions) Order 1977(**b**) shall have effect as if—

(1) in Article 2(2), in the definition of "overseas customer", for the words "United Kingdom" in the first place where they occur in each paragraph, there were substituted "United Kingdom or the Isle of Man", and, in the second place where they occur in each paragraph, there were substituted "United Kingdom and the Isle of Man";

(2) in Articles 10(2) and 14(2), for the words "United Kingdom" wherever they occur, there were substituted "United Kingdom or the Isle of Man".

15. The Value Added Tax (Isle of Man) (Special Provisions) Order 1977(**c**) shall have effect as if—

(1) in Article 2(2), in the definition of "overseas customer", for the words "Isle of Man" in the first place where they occur in each paragraph, there were substituted "Isle of Man or the United Kingdom", and, in the second place where they occur in each paragraph, there were substituted "Isle of Man and the United Kingdom".

(2) in Articles 10(2) and 14(2), for the words "Isle of Man" wherever they occur, there were substituted "Isle of Man or the United Kingdom".

16.—(1) The Value Added Tax (Imported Goods) Relief Order 1977(**d**) shall have effect as if, for the words "United Kingdom" in Article 3 thereof, there were substituted "United Kingdom or the Isle of Man".

(2) The Value Added Tax (Isle of Man) (Imported Goods) Relief Order 1977(**e**) shall have effect as if, for the words "Isle of Man" in Article 3 thereof, there were substituted "Isle of Man or the United Kingdom".

(a) Government Circular 205/77. **(b)** S.I. 1977/1796. **(c)** Government Circular 237/77.
(d) S.I. 1977/1790. **(e)** Government Circular 234/77.

17. The Value Added Tax (Consolidation) Order 1977(**a**) shall have effect as if in Schedule 1 thereof—

(1) for the words "United Kingdom" in each place where they occur in Group 9, items 1, 3, 4, 9 and 11(c), Group 10, items 9 and 11 and Group 15, note (3), there were substituted "United Kingdom and the Isle of Man";

(2) for the words "United Kingdom" in each place where they occur in Group 9, items 10 and 11(a) and notes (5) and (7), Group 10, item 12 and note (7), Group 12, items 1, 2, 3, 4 and 5 and note (3) and Group 15, item 4, there were substituted "United Kingdom or the Isle of Man";

(3) for the words "United Kingdom" in the first place where they occur in Group 9, item 2, there were substituted "United Kingdom and the Isle of Man", and in the second and third places where they occur in that item, there were substituted "United Kingdom or the Isle of Man";

(4) for item 5 in Group 10 there were 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.";

(5) for the words "United Kingdom" in the first and second places where they occur in Group 15, item 2, there were substituted "United Kingdom or the Isle of Man";

(6) for the words "the United Kingdom" in the third place where they occur in Group 15, item 2, there were substituted "both the United Kingdom and the Isle of Man";

(7) for the words "the United Kingdom" where they occur in Group 15, notes (4) and (5), there were substituted "both the United Kingdom and the Isle of Man".

18. The Value Added Tax (Isle of Man) (Consolidation) Order 1978(**b**) shall have effect as if in Schedule 1 thereof—

(1) for the words "Isle of Man" in each place where they occur in Group 9, items 1, 3, 4, 9 and 11(*c*), Group 10, items 9 and 11 and Group 15, note (3), there were substituted "Isle of Man and the United Kingdom";

(2) for the words "Isle of Man" in each place where they occur in Group 9, items 10 and 11(a) and notes (5) and (7), Group 10, item 12 and note (7), Group 12, items 1, 2, 3, 4 and 5 and note (3) and Group 15, item 4, there were substituted "Isle of Man or the United Kingdom";

(3) for the words "Isle of Man" in the first place where they occur in Group 9, item 2, there were substituted "Isle of Man and the United Kingdom", and in the second and third places where they occur in that item, there were substituted "Isle of Man or the United Kingdom";

(4) for item 5 in Group 10 there were 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.";

(a) S.I. 1977/2092. **(b)** Government Circular 8/78.

(5) for the words "Isle of Man" in the first and second places where they occur in Group 15, item 2, there were substituted "Isle of Man or the United Kingdom";

(6) for the words "the Isle of Man" in the third place where they occur in Group 15, item 2, there were substituted "both the Isle of Man and the United Kingdom";

(7) for the words "the Isle of Man" where they occur in Group 15, notes (4) and (5), there were substituted "both the Isle of Man and the United Kingdom".

19. 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.

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

21. Section 2 of the Isle of Man Act 1958(**b**) (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, 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.

22. The Value Added Tax (United Kingdom and Isle of Man) (Consolidation) Order 1974(**c**), the Value Added Tax (United Kingdom and Isle of Man) Order 1975(**d**), the Value Added Tax (United Kingdom and Isle of Man) Order 1976(**e**) and the Value Added Tax (United Kingdom and Isle of Man) Order 1977(**f**) are hereby revoked.

N. E. Leigh,
Clerk of the Privy Council.

(**a**) S.I. 1972/1344. (**b**) 1958 c. 11. (**c**) S.I. 1974/1708.
(**d**) S.I. 1975/2158. (**e**) S.I. 1976/1773. (**f**) S.I. 1977/818.

EXPLANATORY NOTE

(This Note is not part of the Order)

This Order is made as a consequence of making the Value Added Tax (General) Regulations 1977, the Value Added Tax (Isle of Man) (General) Regulations 1977, the Value Added Tax (Special Provisions) Order 1977, the Value Added Tax (Isle of Man) (Special Provisions) Order 1977, the Value Added Tax (Imported Goods) Relief Order 1977, the Value Added Tax (Isle of Man) (Imported Goods) Relief Order 1977, the Value Added Tax (Consolidation) Order 1977 and the Value Added Tax (Isle of Man) (Consolidation) Order 1978. It revokes the Value Added Tax (United Kingdom and Isle of Man) (Consolidation) Order 1974, the Value Added Tax (United Kingdom and Isle of Man) Order 1975, the Value Added Tax (United Kingdom and Isle of Man) Order 1976 and the Value Added Tax (United Kingdom and Isle of Man) Order 1977.

This Order now 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 or the transfer of services 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 either goods or services. 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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