STATUTORY INSTRUMENTS

2021 No. 369

VALUE ADDED TAX

The Value Added Tax (Section 55A) (Specified Goods and Services and Excepted Supplies) (Amendment) Order 2021

Made - - - -	*18th March 2021*
Laid before the House of Commons	*23rd March 2021*
Coming into force - -	*1st May 2021*

The Treasury make this Order in exercise of the powers conferred by section 55A(9) and (14) of the Value Added Tax Act 1994(**a**).

Citation, commencement and effect

1.—(1) This Order may be cited as the Value Added Tax (Section 55A) (Specified Goods and Services and Excepted Supplies) (Amendment) Order 2021.

(2) This Order comes into force on 1st May 2021 and has effect in relation to supplies made on or after that date.

Amendment of the Value Added Tax (Section 55A) (Specified Goods and Services and Excepted Supplies) Order 2010

2. The Value Added Tax (Section 55A) (Specified Goods and Services and Excepted Supplies) Order 2010(**b**) is amended as follows.

3. In article 3 (interpretation)—

(a) for the definition of "allowance" substitute—

""allowance" means—

(a) an allowance as defined in Article 3 of the Directive(**c**); or

(**a**) 1994 c. 23; section 55A was inserted into the Act by section 19(1) of the Finance Act 2006 (c. 25) and amended by section 50(1) of the Finance Act 2010 (c. 13), section 203 of, and paragraphs 2 and 6 of Schedule 28 to, the Finance Act 2012 (c. 14), section 43 of, and paragraphs 1 and 55 of Schedule 8 to, the Taxation (Cross-border Trade) Act 2018 (c. 22) and section 51 of the Finance Act 2019 (c. 1).

(**b**) S.I. 2010/2239; amended by S.I. 2019/59.

(**c**) Directive 2003/87/EC of the European Parliament and of the Council establishing a scheme for greenhouse gas emission allowance trading within the Community, OJ No. L 275, 25.10.03, p 32; amended by Directive 2004/101/EC, OJ No. L 338, 13.11.2004, p.18; Directive 2008/101/EC, OJ No. L 8, 13.1.2009, p.3; Regulation (EC) No. 219/2009, OJ No. L 87, 31.3.2009, p.109; Directive 2009/29/EC, OJ No. L 140, 5.6.2009, p.63; Decision No. 1359/2013/EU, OJ No. L 343, 19.12.2013, p.1; Regulation (EU) No. 421/2014, OJ No. L 129, 30.4.2014, p.1; Decision (EU) 2015/1814, OJ No. L 264, 9.10.2015, p.1; Regulation 2017/2392, OJ No. L 350, 29.12.2017, p.7; Directive (EU) 2018/410, OJ No. L 76, 19.3.2018, p.3; Commission Delegated Decision (EU) 2020/1071, OJ No. L 234, 21.7.2020, p.16.

(b) an allowance as defined in article 4 of the Greenhouse Gas Emissions Trading Scheme Order 2020(**a**);";

(b) omit the definitions for "certified emission reduction", "emission reduction unit" and "operator".

4. For article 6 (specified services) substitute—

"**6.** The services referred to in article 4 are a transfer of an allowance.".

Michael Tomlinson
Maggie Throup
18th March 2021 Two of the Lords Commissioners of Her Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends the Value Added Tax (Section 55A) (Specified Goods and Services and Excepted Supplies) Order 2010 (S.I. 2010/2239) ("the 2010 Order"), which applies a reverse charge to specified goods and services of a kind used in missing trader fraud.

Article 3 of this Order amends the definition of "allowance" in article 3 of the 2010 Order to include an allowance created under the Greenhouse Gas Emissions Trading Scheme Order 2020 (S.I. 2020/1265) ("the 2020 Order"). The 2020 Order established a new UK Emissions Trading Scheme ("UK ETS") as a successor (in the UK) to the European Union greenhouse gas emission allowance trading scheme established by Directive 2003/87/EC ("EU ETS"), in consequence of the United Kingdom's exit from the European Union.

Article 3 also omits the definitions for "certified emission reduction", "emission reduction unit" and "operator", which are no longer needed in consequence of the changes which article 4 of this Order makes to article 6 of the 2010 Order.

Article 4 of this Order substitutes a new article 6 into the 2010 Order, removing the transfer of an emission reduction unit and the transfer of a certified emission reduction from the reverse charge and leaving a transfer of an allowance (whether under UK ETS or EU ETS) as the only services to which article 4 of the 2010 Order applies.

This Order comes into force on 1st May 2021 and has effect for supplies made on or after that date.

A Tax Information and Impact Note covering this instrument will be published on the website at https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins.

© Crown copyright 2021

Printed and published in the UK by The Stationery Office Limited under the authority and superintendence of Jeff James, Controller of Her Majesty's Stationery Office and Queen's Printer of Acts of Parliament.

(**a**) S.I. 2020/1265; amended by S.I. 2020/1557. Article 4 defines "allowance" as an allowance created under the Order and refers to article 18.

£4.90

http://www.legislation.gov.uk/id/uksi/2021/369

ISBN 978-0-34-822186-2

