STATUTORY INSTRUMENTS

1972 No. 1168

VALUE ADDED TAX

The Value Added Tax (Self-Supply) (No. 1) Order 1972

Made - - - -	1*st August* 1972
Laid before the House of Commons	9*th August* 1972
Coming into Operation	1*st April* 1973

The Treasury, in exercise of the powers conferred on them by sections 6(1) and 21(2) of the Finance Act 1972(**a**) hereby make the following Order:—

1. This Order may be cited as the Value Added Tax (Self-Supply) (No. 1) Order 1972 and shall come into operation on 1st April 1973.

2.—(1) The Interpretation Act 1889(**b**) shall apply for the interpretation of this Order as it applies for the interpretation of an Act of Parliament.

(2) In this Order "business", "input tax", "tax", "taxable person" and "the Commissioners" have the same meanings as in Part I of the Finance Act 1972.

(3) In this Order "motor car" means, subject to paragraph (4) below, any motor vehicle of a kind normally used on public roads which has three or more wheels and either—

(*a*) is constructed or adapted solely or mainly for the carriage of passengers; or

(*b*) has to the rear of the driver's seat roofed accommodation which is fitted with side windows or which is constructed or adapted for the fitting of side windows.

(4) The following are not included in the definition of "motor car"—

(*a*) vehicles capable of accommodating only one person or suitable for carrying twelve or more persons;

(*b*) vehicles of not less than three tons unladen weight;

(*c*) caravans, ambulances and prison vans;

(*d*) vehicles of a type approved by the Assistant Commissioner of Police of the Metropolis as conforming to the conditions of fitness for the time being laid down by him for the purposes of the London Cab Order 1934(**c**);

(*e*) vehicles constructed for a special purpose other than the carriage of persons and having no other accommodation for carrying persons than such as is incidental to that purpose.

3.—(1) This Article applies to the following motor cars produced or acquired by a taxable person in the course of a business carried on by him, that is to say—

(*a*) any motor car produced by him otherwise than by the conversion of a vehicle acquired by him; and

(*b*) any motor car produced by him by the conversion of another vehicle (whether a motor car or not) with respect to which the conditions specified in paragraph (2) below are satisfied; and

(**a**) 1972 c. 41. (**b**) 1889 c. 63. (**c**) S.R. & O. 1934 1346.(Rev. XIV, p. 795: 1934 I, p. 1221).

(*c*) any motor car acquired by him with respect to which those conditions are satisfied.

(2) The conditions mentioned in paragraph (1) above are—

(*a*) that the motor car or other vehicle was imported by the taxable person or supplied to him under a taxable supply; and

(*b*) that tax on the importation or supply has been or may be deducted as input tax under section 3 of the Finance Act 1972.

(3) Where a motor car to which this Article applies—

(*a*) is neither supplied by the taxable person in the course of the business carried on by him nor converted into another vehicle (whether a motor car or not) in the course of that business; but

(*b*) is used by him for the purpose of that business;

the motor car shall be treated for the purposes of Part I of the Finance Act 1972 as both supplied to him for the purpose of that business and supplied by him in the course of that business, except where the motor car is one to which this Article applies by virtue of paragraph (1)(*a*) above and the Commissioners are satisfied that it is used solely for the purpose of research or development.

(4) The preceding provisions of this Article shall apply in relation to any bodies corporate which are treated for the purposes of section 21 of the Finance Act 1972 as members of a group as if those bodies were one person, but any motor car which would fall to be treated as supplied to and by that person shall be treated as supplied to and by the representative member.

Tim Fortescue,
Hugh Rossi,
Two of the Lords Commissioners of Her Majesty's Treasury.

1st August 1972.

EXPLANATORY NOTE

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

This Order (which is consequential on the Input Tax (Exceptions) (No. 2) Order 1972 (S.I. 1972/1166)) brings within the tax certain motor cars which are self-supplied by taxable persons for their own use. The effect of the Order is to bring such cars within the scope of the Input Tax (Exceptions) (No. 2) Order 1972, and places them in the same position as regards disallowance of input tax, as other cars.

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