STATUTORY INSTRUMENTS

1980 No. 1603

VALUE ADDED TAX

The Value Added Tax (Special Provisions) (Amendment) Order 1980

Made - - - -	20*th October* 1980
Laid before the House of Commons -	5*th November* 1980
Coming into Operation	17*th November* 1980

The Treasury, in exercise of the powers conferred on them by sections 6(3) and 43(1) of the Finance Act 1972(a) and of all other powers enabling them in that behalf, hereby make the following Order:—

1.—(1) This Order may be cited as the Value Added Tax (Special Provisions) (Amendment) Order 1980 and shall come into operation on 17th November 1980.

(2) In this Order "the principal Order" means the Value Added Tax (Special Provisions) Order 1977(b).

2. Article 12 of the principal Order shall be deleted and the following substituted therefor:—

"12. The following descriptions of transactions shall be treated as neither a supply of goods nor a supply of services:—

(*a*) the supply by a person of assets of his business to a person to whom he transfers his business as a going concern—

(i) where the assets are to be used by the transferee in carrying on the same kind of business, whether or not as part of any existing business, as that carried on by the transferor, and

(ii) where, in a case in which the transferor is a taxable person, the transferee is already a taxable person or immediately becomes a taxable person as a result of the transfer;

(*b*) the supply by a person of assets of his business to a person to whom he transfers part of his business as a going concern—

(i) where that part is capable of separate operation,

(ii) where the assets are to be used by the transferee in carrying on the same kind of business, whether or not as part of any existing business, as that carried on by the transferor in relation to that part, and

(a) 1972 c. 41, as amended by the Finance Act 1977 (c. 36).
(b) S.I. 1977/1796.

(iii) where, in a case in which the transferor is a taxable person, the transferee is already a taxable person or immediately becomes a taxable person as a result of the transfer.".

3. After article 13 of the principal Order there shall be added a new article as follows:—

"13A. The following description of transaction shall be treated as neither a supply of goods nor a supply of services:—

The assignment by an owner of goods comprised in a hire-purchase or conditional sale agreement of his rights and interest thereunder, and the goods comprised therein, to a bank or other financial institution.".

Carol Mather,
Peter Morrison
Two of the Lords Commissioners of Her Majesty's Treasury.

20th October 1980.

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order amends the Value Added Tax (Special Provisions) Order 1977. It extends the relief from tax provided by article 12 of that Order for certain transfers of a business as a going concern and also contains a new relieving provision which removes from the scope of the tax the assignment of hire-purchase or conditional sale agreements to banks or other financial institutions.

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