



Finance Act 2007

2007 CHAPTER 11

PART 7

MISCELLANEOUS

Value added tax and insurance premium tax

98 VAT: joint and several liability of traders in supply chain where tax unpaid

- (1) In section 77A of VATA 1994 (joint and several liability of traders in supply chain where tax unpaid), for subsection (9) substitute—

“(9) The Treasury may by order amend subsection (1) above.

(9A) The Treasury may by order amend this section in order to extend or otherwise alter the circumstances in which a person shall be presumed to have reasonable grounds for suspecting matters to be as mentioned in subsection (2)(b) above.

(9B) Any order under this section may make such incidental, supplemental, consequential or transitional provision as the Treasury think fit.”

- (2) In section 97(4) of that Act (orders ceasing to have effect unless approved by House of Commons), after paragraph (ea) insert—

“(eb) an order under section 77A(9) or (9A);”.

99 VAT: non-business use etc of business goods

- (1) Schedule 4 to VATA 1994 (matters to be treated as supply of goods or services) is amended as follows.

- (2) In paragraph 5 (non-business use etc of business goods), omit sub-paragraph (4A) (exception to rule in case of interests in land and buildings etc that non-business use of business assets treated as supply of services).

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- (3) In paragraph 9 (application of paragraphs 5 to 8 where land forms part of assets of business), insert at the end—
- “(4) In this paragraph “grant” includes surrender.”
- (4) Paragraph 7 of Schedule 6 to VATA 1994 (valuation of supply of services otherwise than for consideration by virtue of paragraph 5(4) of Schedule 4 etc) is amended as follows.
- (5) The existing provision becomes sub-paragraph (1) and after that sub-paragraph insert—
- “(2) Regulations may, in relation to a supply of services by virtue of paragraph 5(4) of Schedule 4 (but otherwise than for a consideration), make provision for determining how the full cost to the taxable person of providing the services is to be calculated.
- (3) The regulations may, in particular, make provision for the calculation to be made by reference to any prescribed period.
- (4) The regulations may make—
- (a) different provision for different circumstances;
- (b) such incidental, supplementary, consequential or transitional provision as the Commissioners think fit.”
- (6) The amendment made by subsection (2) comes into force on 1st September 2007.
- (7) The amendment made by subsection (3) has effect in relation to surrenders on or after 21st March 2007.

100 VAT: transfers of going concerns

- (1) Section 49 of VATA 1994 (transfers of going concern) is amended as follows.
- (2) In subsection (1) (transferor's supplies treated as transferee's supplies for purposes of registration and transferor's records to be kept by transferee after transfer)—
- (a) after “Where a business” insert “, or part of a business, ”,
- (b) after “on the business” insert “ or part of the business ”, and
- (c) omit paragraph (b) (together with the “and” before it).
- (3) In subsection (2) (regulations for securing continuity of Act in case of transfers of going concerns), after “a business” insert “, or part of a business, ”.
- (4) After that subsection insert—
- “(2A) Regulations under subsection (2) above may, in particular, provide for the duties under this Act of the transferor to preserve records relating to the business or part of the business for any period after the transfer to become duties of the transferee unless the Commissioners, at the request of the transferor, otherwise direct.”
- (5) In subsection (3) (provision which may be made by regulations), in paragraph (a), after “the transferor” insert “ (other than the duties mentioned in subsection (2A) above) ”.
- (6) After that subsection insert—

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- “(4) Subsection (5) below applies where—
- (a) a business, or part of a business, carried on by a taxable person is transferred to another person as a going concern, and
 - (b) the transferor continues to be required under this Act to preserve for any period after the transfer any records relating to the business or part of the business.
- (5) So far as is necessary for the purpose of complying with the transferee's duties under this Act, the transferee (“E”) may require the transferor—
- (a) to give to E, within such time and in such form as E may reasonably require, such information contained in the records as E may reasonably specify,
 - (b) to give to E, within such time and in such form as E may reasonably require, such copies of documents forming part of the records as E may reasonably specify, and
 - (c) to make the records available for E's inspection at such time and place as E may reasonably require (and permit E to take copies of, or make extracts from, them).
- (6) Where a business, or part of a business, carried on by a taxable person is transferred to another person as a going concern, the Commissioners may disclose to the transferee any information relating to the business when it was carried on by the transferor for the purpose of enabling the transferee to comply with the transferee's duties under this Act.”
- (7) In section 94(6) of VATA 1994 (meaning of “business” etc)—
- (a) after “a business” insert “, or part of a business, ”, and
 - (b) for “its assets or liabilities” substitute “ the assets or liabilities of the business or part of the business ”.
- (8) In paragraph 1(2) of Schedule 1 to that Act (registration in respect of taxable supplies), after “Where a business” insert “, or part of a business, ”.
- (9) In paragraph 8(2)(b) of Schedule 4 to that Act (matters to be treated as supply of goods or services), after “a business” insert “, or part of a business, ”.
- (10) The amendments made by this section have effect in relation to transfers pursuant to contracts entered into on or after 1st September 2007.

101 IPT: meaning of “premium”

- (1) In section 72 of FA 1994 (interpretation: “premium”), after subsection (1A) insert—
- “(1B) Where—
- (a) an amount is charged (to the insured or any other person) in respect of the acquisition of a right (whether of the insured or any other person) to require the insurer to provide, or offer to provide, any of the cover included in a taxable insurance contract, and
 - (b) any payment in respect of that amount is not regarded as a payment received under that contract by the insurer by virtue of subsection (1A) above,

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the payment is to be regarded as a payment received under that contract by the insurer unless it is chargeable to tax at the higher rate by virtue of section 52A above.”

- (2) The amendment made by subsection (1) has effect in relation to amounts charged on or after 22nd March 2007.

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 993 modified by [2016 c. 24 s. 118\(2\)](#)
- Sch. 24 para. 12(5)(za) inserted by [2015 c. 11 Sch. 20 para. 6\(a\)](#)
- Sch. 24 para. 21A(A1) inserted by [2015 c. 11 Sch. 20 para. 7\(2\)](#)
- Sch. 24 para. 4A(A1)(1) substituted for Sch. 24 para. 4A(1) by [2015 c. 11 Sch. 20 para. 3\(2\)](#)