

2010 No. 2549

VALUE ADDED TAX

The Value Added Tax (Emissions Allowances) Order 2010

Approved by the House of Commons

Made - - - - 19th October 2010

Laid before the House of Commons 20th October 2010

Coming into force - - 1st November 2010

The Treasury, in exercise of the powers conferred by sections 30(4) and 96(9) of the Value Added Tax Act 1994^(a), make the following Order:

- 1.—(1) This Order may be cited as the Value Added Tax (Emissions Allowances) Order 2010.
- (2) This Order comes into force on 1st November 2010 and has effect in relation to supplies made on or after that date.
- 2.—(1) Schedule 8 to the Value Added Tax Act 1994 (zero-rating)^(b) is amended as follows.
- (2) In Part 1 (index to zero-rated supplies of goods and services) omit—
“Emissions allowances Group 17”
- (3) In Part 2 (the groups) omit Group 17 (Emissions Allowances).

*Jeremy Wright
Angela Watkinson*

19th October 2010

Two of the Lords Commissioners of Her Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

This Order, which comes into force on 1st November 2010, amends Schedule 8 of the Value Added Tax Act 1994 (“the Act”) by omitting Group 17 “Emissions allowances” from Part 2 of that Schedule.

Part 2 of Schedule 8 (“the Schedule”) contains the descriptions of goods and services which are, by virtue of section 30 of the Act, subject to the zero rate of VAT. It is subdivided into groups, each group containing descriptions of goods and services which fall within the generic description given in the title to the group. Each supply described is identified as a separate item within the group.

^(a) 1994 c. 23; section 96(9) was amended by section 99(6) of, and paragraph 5 of Schedule 31 to the Finance Act 2001 (c. 9).
^(b) Schedule 8 has been amended on a number of occasions but the only relevant amendment was effected by SI 2009/2093.

Group 17 contains only one item: “the supply of an emissions allowance” which is defined in Notes 1 to 4 to that group.

Article 2 omits Group 17 from the Schedule which has the effect that the supply of an emissions allowance is subject to the standard rate of VAT.

A full regulatory impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.

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