
EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends Note (21) of Group 5 of Schedule 8 to the Value Added Tax Act 1994 (c. 23), with effect from 1st April 2010.

By virtue of item 3 of Group 5, certain supplies to relevant housing associations (“RHAs”) are zero rated for the purposes of value added tax. The definition of RHAs, for the purposes of item 3, is in Note (21) of Group 5 and includes registered social landlords within the meaning of Part 1 of the Housing Act 1996 (c. 52). The system of registered social landlords under that Part was established in England and Wales. Part 2 of the Housing and Regeneration Act 2008 (c. 17) replaces the system in England and preserves it in Wales. Article 2(1)(a) inserts Note (21)(za) so that the definition of RHAs includes private registered providers of social housing under the new system for England. Article 2(1)(b) of the Order amends Note (21)(a) to indicate that the system under Part 1 of the Housing Act 1996 continues in Wales. In relation to Scotland, article 2(1)(c) amends Note (21)(b) to refer to registered social landlords under the Housing (Scotland) Act 2001 (asp 10). Article 2(2) defines “private registered provider of social housing” until the coming into force of provision defining that expression in enactments and instruments generally.

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