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STATUTORY INSTRUMENTS

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**2019 No. 1507**

**VALUE ADDED TAX**

**The Value Added Tax (Place of Supply  
of Goods) (Amendment) Order 2019**

*Made* - - - - *19th December 2019*  
*Laid before the House of*  
*Commons* - - - - *20th December 2019*  
*Coming into force* - - *1st January 2020*

The Treasury make the following Order in exercise of the power conferred by section 7(11) of the Value Added Tax Act 1994<sup>(1)</sup>.

**Citation and commencement**

1.—(1) This Order may be cited as the Value Added Tax (Place of Supply of Goods) (Amendment) Order 2019.

(2) This Order comes into force on 1st January 2020 and has effect in relation to supplies made on or after that date.

**Amendment to the Value Added Tax (Place of Supply of Goods) Order 2004**

2.—(1) The Value Added Tax (Place of Supply of Goods) Order 2004<sup>(2)</sup> is amended as follows.

(2) After Part 3 insert—

**“PART 4**

**CHAIN TRANSACTIONS**

**15.** Article 16 applies where the same goods are—

- (a) supplied successively thorough a chain, and
- (b) dispatched or transported from one member State to another member State directly from the first supplier in the chain to the last customer in the chain.

**16.** Where this article applies—

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(1) 1994 c. 23; section 7(11) was amended by section 76 of, and paragraphs 1 and 3 of Schedule 36 to, the Finance Act 2009 (c. 10).  
(2) S.I. 2004/3148, to which there are amendments but they not relevant to this Order.

- (a) the intra-Community supply is to be treated as the supply that involves the removal of the goods from or to the United Kingdom; and
- (b) all supplies made after the intra-Community supply are to be treated as supplied—
  - (i) outside the United Kingdom in the case of goods removed or to be removed from the United Kingdom to a customer in another member State; or
  - (ii) within the United Kingdom in the case of goods removed or to be removed from another member State to a customer in the United Kingdom.

**17.** The “intra-Community supply” is—

- (a) the supply in the chain that is made to the intermediary operator (“I”), or
- (b) where I has provided its supplier with the VAT identification number issued to I by the member State from which the goods are dispatched or transported, the supply in the chain that is made by I.

**18.** “Intermediary operator” means a supplier within the chain other than the first supplier in the chain who dispatches or transports the goods either itself or through a third party acting on its behalf.”.

19th December 2019

*David Rutley*  
*Rebecca Harris*  
Two of the Lords Commissioners of Her  
Majesty’s Treasury

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## EXPLANATORY NOTE

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

This Order, which comes into force on 1st January 2020, inserts a new Part 4 into the Value Added Tax (Place of Supply of Goods) Order 2004 (“the Place of Supply Order”) to make changes required by Council Directive (EU) 2018/1910 of 4 December 2018 (OJ No 311, 07.12.2018, p. 3-7) (“Directive 2018/1910”) in relation to the place of supply of certain supplies of goods.

Council [Directive 2006/112/EC](#) (OJ No 347, 11.12.06, p. 1) (“the Principal VAT Directive”) establishes a common system of value added tax applicable throughout the European Union.

Directive 2018/1910 made a number of ‘quick fix’ amendments to the Principal VAT Directive to improve the Union VAT rules for cross-border transactions. These included the insertion of a new Article 36a which makes provision in relation to chain transactions. Member States are required to transpose the amendments with effect from 1st January 2020.

This Order amends the Place of Supply Order by inserting a new Part 4 to make the necessary provision in respect of chain transactions which involve goods being dispatched directly from a supplier in the first member State in the chain to the last customer in the final member State in the chain.

It identifies the transaction in the chain that is to be treated as the intra-Community supply (the supply that involves the removal of the goods from one member State to another member State) and specifies how paragraph (2) of section 7 of the Value Added Tax Act 1994 (c. 23) (place of supply of goods) is to apply to all supplies of the goods that are made after that supply.

A Tax Information and Impact Note covering this instrument will be published on the HMRC website at <https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins>.