

PART 3 Taxable Transactions

Chapter 1 Supply of goods

Meaning of supply of goods. VATA s. 3(1), (1C) and (2)

19.—(1) In this Act “supply”, in relation to goods, means—

(a) the transfer of ownership of the goods by agreement (including the transfer of ownership of the goods to a person supplying financial services of the kind specified in subparagraph (i)(e) of the First Schedule where those services are supplied as part of an agreement of the kind referred to in paragraph (c) in respect of the goods),

(b) the sale of movable goods pursuant to a contract under which commission is payable on purchase or sale by an agent or auctioneer who concludes agreements in the agent’s or auctioneer’s own name but on the instructions of, and for the account of, another person,

(c) the handing over of the goods to a person pursuant to an agreement which provides for the renting of the goods for a certain period subject to a condition that ownership of the goods shall be transferred to the person on a date not later than the date of payment of the final sum under the agreement,

(d) the handing over by a person (in this paragraph referred to as the “developer”) to another person of immovable goods which have been developed from goods entrusted to the developer by that other person for the purpose of such development, whether or not the developer has supplied any part of the goods used,

(e) the transfer of ownership of the goods pursuant to—

(i) their acquisition (otherwise than by agreement) by or on behalf of the State or a local authority,
or

(ii) their seizure by any person acting under statutory authority,

(f) the application (otherwise than by way of disposal to another person) by a person for the purposes of any business carried on by him or her of the goods, being movable goods which were developed, constructed, assembled, manufactured, produced, extracted, purchased, imported or otherwise acquired by him or her or by another person on his or her behalf, except where tax chargeable in relation to the application would, if it were charged, be wholly deductible under Chapter 1 of Part 8,

(g) the appropriation of the goods by an accountable person for any purpose other than the purpose of his or her business or the disposal of the goods free of charge by an accountable person where—

(i) tax chargeable in relation to those goods—

(I) upon their purchase, intra-Community acquisition or importation by the accountable person, or

(II) upon their development, construction, assembly, manufacture, production, extraction or application under paragraph (f),

as the case may be, was wholly or partly deductible under Chapter 1 of Part 8, or

(ii) the ownership of those goods was transferred to the accountable person in the course of a transfer of a business or part thereof and that transfer of ownership was deemed not to be a supply of goods in accordance with section 20 (2),

and

(h) the transfer by a person of the goods from his or her business in the State to the territory of another Member State for the purposes of the person's business, or a transfer of a new means of transport by a person in the State to the territory of another Member State, other than for the purposes of any of the following:

(i) the transfer of the goods in question under the circumstances specified in section 29 (1)(b) or (d) or 30;

(ii) the transfer of the goods to another person under the circumstances specified in paragraphs 1(1) to (3), 3(1) and (3) and 7(1) to (4) of Schedule 2 and the transfer of the goods referred to in paragraphs 4(2), (4) and (5) and 5(2) of Schedule 2;

(iii) the transfer of the goods for the purpose of having a service carried out on them where the goods which were so transferred by the person are, after being worked on, returned to that person in the State;

(iv) the temporary use of the goods in question in the supply of a service by the person in that other Member State;

(v) the temporary use of the goods in question, for a period not exceeding 24 months, in that other Member State, where the importation into that other Member State of the same goods with a view to their temporary use would be eligible for full exemption from import duties.

(2) For the purposes of this Act "supply", in relation to immovable goods, shall be regarded as including the transfer in substance of—

(a) the right to dispose of the immovable goods as owner, or

(b) the right to dispose of the immovable goods.

(3) Where 3 or more persons enter into agreements concerning the same goods and fulfil those agreements by a direct supply of the goods by the first person in the chain of sellers and buyers to the last buyer, then the supply to that last buyer shall be deemed, for the purposes of this Act, to constitute a

simultaneous supply by each seller in the chain.