HMRC - IPT04920 - Suppliers Of Motor Vehicles Or Specified Goods?

Who is regarded as a supplier of motor vehicles or specified goods?

IPT04916 discusses the circumstances in which the higher rate applies, and explains that it applies when certain insurance is arranged or provided by a supplier of specified goods, and this description would, of course, include a supplier of motor vehicles.

Under the Finance Act 94, Schedule 6A Paragraph 2(6)), a supplier does not include:

an insurer who makes an onward supply of a car or motor cycle, to which it had taken title, as a result of a claim under the policy or,

where the insurer provides a policyholder with a new vehicle instead of financial indemnification, as a result of a claim under a policy.

Who is not regarded as a supplier of motor vehicles or specified goods

We accept that that finance houses should not be treated as suppliers of motor vehicles, or specified goods nor should businesses that are simply disposing of vehicles or specified goods, which have been used as assets of the business.

However, the terms “supplier of motor cars or motor cycles” or “supplier of specified goods” includes all other forms of supplier including the supply of vehicles or goods on hire purchase, lease, hire or by auction.

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