HMRC - VATSC03900 - Basic Principles And Underlying Law: VAT Act 1994 Schedule 4

A supply is either of goods or services. There is no complete list of which supplies fall into each category, but logical steps can be taken to establish whether a supply is of goods or of services. It is important to make the distinction between the two because of differences in the law relating to the place and time of supply and differences in liability.

Title IV of the Principal VAT Directive 2006/112 determines which transactions may be treated by Member States as supplies of goods and those which may be treated as supplies of services. The UK interpretation of these Articles is contained in VAT Act 1994, Section 5 and Schedule 4, or in Statutory Instruments (SIs).

VAT Act 1994 Schedule 4 is headed Matters to be treated as supplies of goods or services and expands on the basic provisions in VAT Act 1994, Section 5 which states that when a supply is not of goods but is done for a consideration, it is a supply of services.

The first step is to ascertain whether the supply in question can be identified as a supply covered by Schedule 4. The Schedule is not a comprehensive guide to every category of supply, but it covers every method by which goods can be supplied (except self-supply).

Further explanation of the paragraphs in Schedule 4 is given in the following sections of VATSC, other parts of the Guidance, or in VAT notices:

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