HMRC - VATSC04700 - Basic Principles And Underlying Law: Self-Supply

VAT Act 1994, Sections 5(5) and 5(6) provide for Treasury Orders to be made to deem that, in certain circumstances, a supply is made both to the business for the purpose of that business and by the business in course or furtherance of it. There is therefore a supply and output tax is due. This is known as a “self-supply”. Input tax may also be deducted subject to any restrictions, for example partial exemption.

Self-supply provisions may be made to prevent a trader enjoying a commercial advantage over competitors by using goods produced or services provided from within the business, and/or a VAT advantage, for example where input tax is not wholly deductible and the trader avoids the loss of input tax by using goods or services provided from within the business.

Current self-supply provisions made by Treasury Order in the form of SIs are:

cars - VAT (Cars) Order 1992 (SI 1992/3122), Articles 5 and 7)

stationery - VAT (Special Provisions) Order 1995 (SI 1995/1268), Article 11 (does not apply where the printed matter is produced from goods supplied to him on or after 1 June 2002) - see the PE - VAT Partial Exemption Guidance for more information

construction services - VAT (Self-supply of Construction Services) Order 1989 (SI 1989/472) - see the PE- VAT Partial Exemption Guidance for further information.

Other specific self-supply provisions made under primary legislation are:

residential/charitable buildings: change of use - VAT Act 1994, Schedule 10, paragraph 1(5)

certain non-domestic buildings - VAT Act 1994, Schedule 10, paragraph 6(1)

acquisition of a business as a going concern by a partly exempt VAT group - VAT Act 1994, section 44.

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