



VALUE ADDED TAX ACT 1996

VALUE ADDED TAX (GAS, ELECTRICITY, HEAT AND COOLING) ORDER 2011

Laid before Tynwald

... 15 February 2011

Coming into operation

1 January 2011

The Treasury makes this Order under sections 5(3), 37(1) and 95(6) of the Value Added Tax Act 1996⁽¹⁾.

1 Title

This Order is the Value Added Tax (Gas, Electricity, Heat and Cooling) Order 2011.

2 Commencement

This Order comes into operation on the day after it is made but once it is in operation it has effect—

- (a) in relation to goods to which article 3 applies imported on or after 1 January 2011; and
- (b) in relation to supplies to which article 4 applies made on or after 1 January 2011.

3 Imported gas, electricity, heat and cooling

The VAT otherwise chargeable on the importation from a place outside the member States⁽²⁾ of—

- (a) gas—
 - (i) through a natural gas system or any network connected to such a system, or

⁽¹⁾ 1996 c.1. Section 95(6) allows for orders to be made retrospective where the Treasury considers it necessary to conform with a rule, regulation or order made under corresponding United Kingdom VAT legislation

⁽²⁾ For the purposes of VAT, the Island is treated as if part of a member State

- (ii) fed in from a vessel transporting gas into a natural gas system or any upstream pipeline network,
 - (b) electricity, or
 - (c) heating or cooling supplied through a network,
- shall not be payable.

4 Removals of gas, electricity, heat and cooling

- (1) Paragraph 6(1) of Schedule 5 (matters to be treated as supply of goods or services) to the Value Added Tax Act 1996 shall not apply to the removal of—
- (a) gas through a natural gas system situated within the territory of a member State or any network connected to such a system,
 - (b) electricity, or
 - (c) heat or cooling supplied through a network.
- (2) Reference in this article to a member State does not include the United Kingdom.

5 Revocations

The Value Added Tax (Gas and Electricity) Order 2004⁽³⁾ is revoked.

MADE

12th January 2011

June Cranio

Minister for the Treasury

⁽³⁾ SD 905/04

EXPLANATORY NOTE

(This note is not part of the Order)

This Order, which comes into operation on 1 January 2011, revokes and replaces articles 2 and 5 of the Value Added Tax (Gas and Electricity) Order 2004 ("the 2004 Order").

Article 3 has the effect of providing relief from VAT on importations from outside the EU of the following:

- gas through a natural gas system or any network connected to it, or fed in from a vessel transporting natural gas into a natural gas system or any upstream pipeline network,
- electricity, and
- heating or cooling supplied through a network.

Article 4 provides that paragraph 6(1) of Schedule 5 to the Act shall not apply to the removal of gas through a natural gas system situated within the territory of a member State other than the United Kingdom or any network connected to such a system, electricity and heat or cooling supplied through a network.

Article 5 revokes the 2004 Order.

