
*Changes to legislation: There are currently no known outstanding effects
for the Finance (No. 2) Act 2010, Part 3. (See end of Document for details)*

SCHEDULES

SCHEDULE 2

SUPPLEMENTARY CHARGE TO VAT

PART 3

LIABILITY AND AMOUNT

Liability

- 16 (1) A supplementary charge under this Schedule on a supply within paragraph 2—
- (a) is a liability of the supplier (subject to sub-paragraph (3)), and
 - (b) becomes due on the date of the VAT change (rather than at the time of supply).
- (2) A supplementary charge under this Schedule on a supply consisting of the grant of a right to goods or services within paragraph 3—
- (a) is a liability of the grantor (subject to sub-paragraph (3)), and
 - (b) becomes due on the first occasion on or after the date of the VAT change on which the right is exercised (rather than at the time the right is granted).
- (3) If, on the date on which the supplementary charge becomes due, the person who would be liable to pay the charge under sub-paragraph (1) or (2)—
- (a) is not a taxable person, but
 - (b) is treated as a member of a group under sections 43A to 43D of VATA 1994,
- the supplementary charge is a liability of the representative member of the group.

Amount

- 17 (1) The amount of the supplementary charge on a supply within paragraph 2 is equal to the difference between—
- (a) the amount of VAT chargeable on the supply apart from this Schedule, and
 - (b) the amount of VAT that would be chargeable on the supply if it were subject to VAT at the rate of 20%.
- (2) The amount of the supplementary charge on a grant of a right to goods or services within paragraph 3 is equal to the difference between—
- (a) the amount of VAT chargeable on the grant of the right apart from this Schedule, and
 - (b) the amount of VAT that would be chargeable on the grant of the right if it were subject to VAT at the rate of 20%,
- (but see sub-paragraph (3)).

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- (3) If the basic time of supply for some of those goods and services is before the date of the VAT change, sub-paragraph (2) has effect as if the references to the amount of VAT chargeable and to the amount of VAT that would be chargeable were references to the relevant proportion of each of those amounts.
- (4) “The relevant proportion” is—

$$\frac{P}{W}$$

where—

P is so much of the consideration for the grant of the right as is attributable on a just and reasonable basis to a right to the goods and services for which the basic time of supply is on or after the date of the VAT change, and

W is the whole of the consideration for the grant of the right.

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