
VALUE ADDED TAX (AMENDMENT) ORDINANCE 2010

An Ordinance to amend the Value Added Tax Ordinance 2008

J. H. GORDON
ADMINISTRATOR

4th March 2010.

BE it enacted by the Administrator of the Sovereign Base Areas of Akrotiri and Dhekelia as follows:—

1. Short title

This Ordinance may be cited as the Value Added Tax (Amendment) Ordinance 2010.

2. Section 2 (Interpretation) amended

Section 2 of the Value Added Tax Ordinance 2008(a) (“the principal Ordinance”) is amended by inserting the following before the definition of “VAT” in subsection (1)–

““contractors” has the same meaning as in Annex B Part I of the Treaty of Establishment;”.

3. Section 3 (General application) amended

Section 3 of the principal Ordinance is amended by repealing subsection (5) and replacing it as follows–

“(5) The application of a VAT law to United Kingdom authorities, United Kingdom personnel, authorised service organisations and contractors is subject to Schedule 2.”.

4. Schedule 2 amended

Paragraph 1 of Schedule 2 to the principal Ordinance is amended as follows–

- (a) by adding after “United Kingdom authorities” where it first appears, “, authorised service organisations, contractors”; and
- (b) by adding the following new subparagraphs (e) and (f)–

- “(e) the importation of goods by, or the supply of goods or services to, authorised service organisations, being goods or services intended for their exclusive use in connection with their official activities;
- (f) the importation of equipment and goods necessary for the operation of that equipment by contractors engaged in the execution of a project on behalf of United Kingdom authorities, being equipment and goods for use exclusively on that project.”.

5. Commencement

This Ordinance comes into force on the day it is published in the Gazette.

Notes

(a) Ordinance 14/08.

EXPLANATORY NOTE

(This note does not form part of the Ordinance)

1. This explanatory note relates to the Value Added Tax (Amendment) Ordinance 2010 (the “Ordinance”). It has been prepared by the Office of the Attorney General and Legal Adviser in order to assist the reader of the Ordinance. It does not form part of the Ordinance.

2. Schedule 2 of the Value Added Tax Ordinance 2008 is intended to give effect for VAT purposes in the Areas to the reliefs available to UK forces under section 11 of Annex C to the Treaty of Establishment. However, the position of overseas contractors and authorised service organisations, as set out in section 11(4)(a)(ii) and (iii) of Annex C to the Treaty of Establishment, was omitted from the Value Added Tax Ordinance 2008. This Ordinance adds new subparagraphs (e) and (f) to paragraph 1 of Schedule 2 setting out the circumstances in which no VAT is payable by authorised service organisations and contractors. It should be noted that the Treaty of Establishment definition of “contractors” which is used in this Ordinance excludes local contractors so the reference to “contractors” in subparagraph (f) is the equivalent of “overseas contractors”.

