

Extract from the Written Ministerial Statement by the Financial Secretary to the Treasury (Mr Stephen Timms) of 31 March 2009

Value Added Tax – anti-forestalling legislation

On 25 November 2008 I announced the Government's intention to introduce legislation as part of Finance Bill 2009 to protect the public finances from artificial avoidance which sought to exploit the change in the VAT rate (forestalling). That statement described the scope of the legislation, in particular the circumstances in which it was to apply, and set out that it would be effective from the date of the statement.

The draft legislation is today published for comment by HMRC. It includes further necessary measures to protect revenues, effective from today.