EXPLANATORY NOTE

(This Note does not form part of the Order, but is intended to indicate its general purport.)

The object of this Order is to exempt from purchase tax certain drugs and medicines used for dispensing.

Under Group 33 (*b*) of Part I of the Eighth Schedule to the Finance Act, 1948, drugs and medicines which comply with the provisions of Part II of that Schedule (which relates to the nature, labelling and marking of the drugs and medicines) as amended by the Purchase Tax (No. 6) Order, 1948, are exempt from purchase tax. The further amendments to Part II of that Schedule made by the present Order relax those provisions in certain particulars in the case of drugs and medicines which the Commissioners of Customs and Excise are satisfied will be used for dispensing purposes only, so as to exempt from tax such drugs and medicines as comply with the modified requirements.

Paragraphs 2 and 3 (1) and (2) of Part II of the Eighth Schedule to the 1948 Act (which define the nature of the substances entitled to benefit from the existing exemption and prescribe the particulars thereof to be shown on the containers) will apply in the case of the new exemption, but not paragraphs 3 (3), 4 and 5 (which further regulate marking and, in particular, preclude the use of trade marks). The Commissioners are, however, given power under the Order to require dispensing drugs and medicines to be specially marked to qualify for exemption.

The Purchase Tax (No. 2) Order, 1949

1949 No. 1342

Made - - - -	18*th July*, 1949
Laid before the House of Commons -	19*th July*, 1949
Coming into Operation	25*th July*, 1949

The Lords Commissioners of His Majesty's Treasury, by virtue of the powers conferred on them by subsection (1) of section twenty-one of the Finance Act, 1948(**a**), and of all other powers enabling them in that behalf, hereby make the following Order:—

Variation of chargeable goods

1. As from the commencement of this Order, Part I of the Eighth Schedule to the Finance Act, 1948, shall have effect subject to the amendment to Group 23 therein set out in the Schedule to this Order, being an amendment for exempting from purchase tax certain shopping-baskets and shopping-bags and for removing from the classes of goods chargeable with purchase tax under the said Group 23 articles of a kind used primarily for the purposes of any trade, profession, employment or vocation, being articles designed for use for those purposes.

(a) 11 & 12 Geo. 6. c. 49.

Short title, interpretation and commencement

2.—(1) This Order may be cited as the Purchase Tax (No. 2) Order, 1949.

(2) The Interpretation Act, 1889(a), shall apply in the interpretation of this Order as it applies in the interpretation of an Act of Parliament.

(3) This Order shall come into operation on the 25th day of July, nineteen hundred and forty-nine.

Dated this 18th day of July, nineteen hundred and forty-nine.

Wm. Hannan,

Richard Adams,

Two of the Lords Commissioners of His Majesty's Treasury.

SCHEDULE

AMENDMENT OF PART I OF THE EIGHTH SCHEDULE TO THE FINANCE ACT, 1948

For paragraphs (*b*) and (*c*) of Group 23 there shall be substituted the following paragraphs:—

"(*b*) Articles made of leather, hide or skin, not being articles comprised in any of the following paragrapns of this Group	Third.
(*c*) Articles which, except for external fitments, and except for bottoms of wood or other vegetable substance, are made wholly of cane or wicker, not being articles comprised in any of the following paragraphs of this Group	First.
(*d*) Articles of a kind used primarily for the purposes of any trade, profession, employment or vocation, being articles designed for use for those purposes	Not chargeable under this Group.
(*e*) Shopping-baskets and shopping-bags, not being baskets or bags fitted with lids or any other means of closing them ..	Exempt."

EXPLANATORY NOTE

(This Note does not form part of the Order, but is intended to indicate its general purport.)

This Order amends Part I of the Eighth Schedule to the Finance Act, 1948 (which sets out the classes of goods chargeable with purchase tax) so as to exempt from tax certain kinds of shopping-baskets and shopping-bags specified in paragraph (*e*) of the Schedule to the Order. By paragraph (*d*) of the Schedule the Order also removes from the classes of goods chargeable under Group 23 in the Schedule to the 1948 Act bags and other receptacles designed and primarily used for trade or professional etc. purposes. Such articles will therefore be exempt from purchase tax unless they are chargeable under some other Group.

(a) 52 & 53 Vict. c. 63.