STATUTORY INSTRUMENTS

1978 No. 1064

VALUE ADDED TAX

The Value Added Tax (Consolidation) Order 1978

Made - - - -	*24th July* 1978
Laid before the House of Commons - -	*2nd August* 1978
Coming into Operation	*4th September* 1978

The Treasury, in exercise of the powers conferred on them by sections 12(4), 13(2) and 43(1) of the Finance Act 1972(**a**), as amended by the Finance Act 1977(**b**), and section 17(2) of the Finance (No. 2) Act 1975(**c**) and of all other powers enabling them in that behalf, hereby make the following Order:—

1. This Order may be cited as the Value Added Tax (Consolidation) Order 1978 and shall come into operation on 4th September 1978.

2. The Interpretation Act 1889(**d**) shall apply for the interpretation of this Order as it applies for the interpretation of an Act of Parliament.

3. Schedule 4 to the Finance Act 1972 shall be varied by substituting the descriptions specified in Schedule 1 to this Order for the descriptions in the Schedule as originally enacted.

4. Schedule 5 to the Finance Act 1972 shall be varied by substituting the descriptions specified in Schedule 2 to this Order for the descriptions in the Schedule as originally enacted.

5. Schedule 7 to the Finance (No. 2) Act 1975 shall be varied by substituting the descriptions specified in Schedule 3 to this Order for the descriptions in the Schedule as originally enacted.

6. The Orders listed in Schedule 4 to this Order (the effect of which is reproduced in this Order, and which are all superseded by this Order) and the Value Added Tax (Consolidation) Order 1977(**e**) are hereby revoked.

T. E. Graham,

Peter Snape,

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

24th July 1978.

(**a**) 1972 c. 41. (**b**) 1977 c. 36. (**c**) 1975 c. 45. (**d**) 1889 c. 63.
(**e**) S.I. 1977/2092.

SCHEDULE 1

SUBSTITUTED DESCRIPTIONS

"SCHEDULE 4

ZERO-RATING

GROUP 1—FOOD

The supply of anything comprised in the general items set out below, except:—

(*a*) a supply in the course of catering; and

(*b*) a supply of anything comprised in any of the excepted items set out below, unless it is also comprised in any of the items overriding the exceptions set out below which relates to that excepted item.

General items

Item No.

1. Food of a kind used for human consumption.
2. Animal feeding stuffs.
3. Seeds or other means of propagation of plants comprised in item 1 or 2.
4. Live animals of a kind generally used as, or yielding or producing, food for human consumption.

Excepted items

Item No.

1. Ice cream, ice lollies, frozen yogurt, water ices and similar frozen products, and prepared mixes and powders for making such products.
2. Chocolates, sweets and similar confectionery (including drained, glacé or crystallized fruits); and biscuits and other confectionery (not including cakes) wholly or partly covered with chocolate or some product similar in taste and appearance.
3. Beverages chargeable with any duty of excise specifically charged on spirits, beer, wine or made-wine and preparations thereof.
4. Other manufactured beverages, including fruit juices and bottled waters, and syrups, concentrates, essences, powders, crystals or other products for the preparation of beverages.
5. Any of the following when packaged for human consumption without further preparation, namely, potato crisps, potato sticks, potato puffs, and similar products made from the potato, or from potato flour, or from potato starch, and savoury food products obtained by the swelling of cereals or cereal products; and salted or roasted nuts other than nuts in shell.
6. Pet foods, canned, packaged or prepared; packaged foods (not being pet foods) for birds other than poultry or game; and biscuits and meal for cats and dogs.
7. Goods described in items 1, 2 and 3 of the general items which are canned, bottled, packaged or prepared for use in the domestic:—
   (*a*) brewing of any beer;
   (*b*) making of any cider or perry;
   (*c*) production of any wine or made-wine.

Items overriding the exceptions

Item No.

1. Yogurt unsuitable for immediate consumption when frozen.
2. Drained cherries.
3. Candied peels.
4. Tea, maté, herbal teas and similar products, and preparations and extracts thereof.
5. Cocoa, coffee and chicory and other roasted coffee substitutes, and preparations and extracts thereof.
6. Preparations and extracts of meat, yeast, egg or milk.

Notes:

(1) 'Food' includes drink.

(2) 'Animal' includes bird, fish, crustacean and mollusc.

(3) A supply of anything in the course of catering includes any supply of it for consumption on the premises on which it is supplied.

(4) Item 1 of the items overriding the exceptions relates to item 1 of the excepted items; items 2 and 3 of the items overriding the exceptions relate to item 2 of the excepted items and items 4 to 6 of the items overriding the exceptions relate to item 4 of the excepted items.

(5) Any supply described in this Group shall include a supply of services described in paragraph 1(1) of Schedule 2 to this Act.

GROUP 2—SEWERAGE SERVICES AND WATER

Item No.

1. Services of:—
   (*a*) reception, disposal or treatment of foul water or sewage in bulk; and
   (*b*) emptying of cesspools, septic tanks or similar receptacles.
2. Water other than:—
   (*a*) distilled water, deionised water and water of similar purity; and
   (*b*) water comprised in the excepted items set out in Group 1.

GROUP 3—BOOKS, ETC.

Item No.

1. Books, booklets, brochures, pamphlets and leaflets.
2. Newspapers, journals and periodicals.
3. Children's picture books and painting books.
4. Music (printed, duplicated or manuscript).
5. Maps, charts and topographical plans.
6. Covers, cases and other articles supplied with items 1 to 5 and not separately accounted for.

Note: Items 1 to 6:—

(*a*) do not include plans or drawings for industrial, architectural, engineering, commercial or similar purposes;

(*b*) include the supply of services, in respect of goods comprised in the items, described in paragraph 1(1) of Schedule 2 to this Act.

GROUP 4—TALKING BOOKS FOR THE BLIND AND HANDICAPPED AND WIRELESS SETS FOR THE BLIND

Item No.

1. The supply to the Royal National Institute for the Blind, the National Listening Library or other similar charities of:—
   (*a*) magnetic tape specially adapted for the recording and reproduction of speech for the blind or severely handicapped;
   (*b*) tape recorders designed for the reproduction of sound from such tape;
   (*c*) parts and accessories for goods comprised in paragraphs (*a*) and (*b*) above.
2. The supply to a charity of wireless receiving sets solely for gratuitous loan to the blind.

Note: In items 1 and 2 the supply respectively described therein includes the supply of services of the letting on hire of goods comprised in the items.

GROUP 5—NEWSPAPER ADVERTISEMENTS

Item No.

1. The publication in any newspaper, journal or periodical of any advertisement.
2. The preparation of any advertisement intended for publication solely or mainly in one or more newspapers, journals or periodicals.
3. The supply of services for the purpose of securing such a publication or a preparation as is mentioned in item 1 or 2.

GROUP 6—NEWS SERVICES

Item No.

1. The supply to newspapers or to the public of information of a kind published in newspapers.

Note: This item does not include the supply of photographs.

GROUP 7—FUEL AND POWER

Item No.

1. Coal, coke and other solid substances held out for sale solely as fuel.
2. Coal gas, water gas, producer gases and similar gases.
3. Petroleum gases and other gaseous hydrocarbons, whether in a gaseous or liquid state.
4. Hydrocarbon oil within the meaning of the Hydrocarbon Oil (Customs & Excise) Act 1971(a).

(a) 1971 c. 12.

5. Electricity, heat and air-conditioning.

6. Lubricating oils other than those included in item 4.

Notes:

(1) Item 1 shall be deemed to include combustible materials put up for sale for kindling fires but shall not include matches upon which a duty of customs or excise has been or is to be charged.

(2) 'Lubricating oils' means agents for lubrication which are neither:—

(*a*) solid or semi-solid at a temperature of 60°F, nor

(*b*) gaseous at a temperature of 60°F and under a pressure of one atmosphere.

(3) Items 2 and 3 do not include any gas (within the meaning of section 3 of the Finance Act 1971(**a**)) for use as fuel in road vehicles and on which a duty of excise has been charged or is chargeable.

(4) Item 4 does not include hydrocarbon oil on which a duty of customs or excise has been or is to be charged without relief from, or rebate of, such duty by virtue of the provisions of the Hydrocarbon Oil (Customs & Excise) Act 1971.

GROUP 8—CONSTRUCTION OF BUILDINGS, ETC.

Item No.

1. The granting, by a person constructing a building, of a major interest in, or in any part of, the building or its site.

2. The supply, in the course of the construction, alteration or demolition of any building or of any civil engineering work, of any services other than the services of an architect, surveyor or any person acting as consultant or in a supervisory capacity.

3. The supply, by a person supplying services within item 2 and in connection with those services, of:—

(*a*) materials or of builder's hardware, sanitary ware or other articles of a kind ordinarily installed by builders as fixtures; or

(*b*) in respect of such goods, services described in paragraph 1(1) of Schedule 2 to this Act.

Notes:

(1) Where the benefit of the consideration for the grant of a major interest as described in item 1 accrues to the person constructing the building but that person is not the grantor, he shall for the purposes of that item be treated as the person making the grant.

(2) Item 2 does not include:—

(*a*) any work of repair or maintenance; or

(*b*) the supply of any services in the course of the construction or alteration of any civil engineering work within the grounds or garden of a building used or to be used wholly or mainly as a private residence; or

(*c*) the supply by a person of any services which consist of or include any services supplied to him by some other person otherwise than in the course or furtherance of a business carried on by that other person; or

(*d*) the supply of services described in paragraph 1(1) or 5(3) of Schedule 2 to this Act.

(3) Section 12(3) of this Act does not apply to goods forming part of a description of supply in this Group.

(**a**) 1971 c. 68.

GROUP 9—INTERNATIONAL SERVICES

Item No.

1. The supply of services relating to land situated outside the United Kingdom.

2. The letting on hire of goods for use outside the United Kingdom throughout the period of the hiring which:—

   (*a*) are exported by the lessor from the United Kingdom; or

   (*b*) at the time of supply are not in the United Kingdom.

3. The supply of:—

   (*a*) cultural, artistic, sporting, scientific, educational or entertainment services; or

   (*b*) services ancillary to, including that of organising, the performance outside the United Kingdom of any service in paragraph (*a*);

   where in either case these services are performed outside the United Kingdom.

4. The supply of services of valuing goods or of carrying out work on goods where, in either case, the goods are situated and the services are performed outside the United Kingdom.

5. The supply to a person in his business capacity (and not in his private capacity) who as such belongs in a country, other than the United Kingdom, which is a member state of the European Economic Community of any service comprised in paragraphs 1 to 7 of Schedule 2A to this Act.

6. The supply to a person who belongs in a country, other than the Isle of Man, which is not a member state of the European Economic Community of:—

   (*a*) any service (other than insurance or re-insurance services) comprised in paragraphs 1 to 7 of Schedule 2A to this Act;

   (*b*) insurance by a person described in item 1 of Group 2 of Schedule 5 to this Act other than that upon or against any risks or other things described in sub-paragraph (*a*), (*b*), (*c*), (*d*) or (*f*) of subsection (4) of section 83 of the Insurance Companies Act 1974(**a**);

   (*c*) re-insurance by a person described in item 1 of Group 2 of Schedule 5 to this Act;

   (*d*) services comprised in item 3 or 4 of Group 2 of Schedule 5 to this Act which are in respect of a supply of insurance or re-insurance comprised in this item.

7. The supply of:—

   (*a*) insurance (and not of re-insurance) by a person described in item 1 of Group 2 of Schedule 5 to this Act upon or against any risks or other things described in sub-paragraph (*a*), (*b*), (*c*), (*d*) or (*f*) of subsection (4) of section 83 of the Insurance Companies Act 1974 where the supply is in connection with the carriage of passengers, or of goods, to or from a place, other than the Isle of Man, outside the member states of the European Economic Community;

   (*b*) services comprised in item 3 or 4 of Group 2 of Schedule 5 to this Act which are in respect of a supply of insurance comprised in this item.

(**a**) 1974 c. 49.

8. The supply:—

(*a*) by the Export Credits Guarantee Department or a person described in item 1 of Group 2 of Schedule 5 to this Act of insurance against risks incurred in the making of advances or the granting of credits in connection with goods for export outside the member states of the European Economic Community, other than goods for removal to the Isle of Man; or

(*b*) of services comprised in item 3 or 4 of Group 2 of Schedule 5 to this Act which are in respect of a supply of insurance comprised in this item.

9. The supply of services comprised in item 1, 2 or 3 of Group 5 of Schedule 5 to this Act where the services are in connection with:—

(*a*) the export of specific goods; or

(*b*) the transhipment (whether within or outside the United Kingdom) of goods;

the ultimate destination of the goods, in either case, being a place outside the European Economic Community other than the Isle of Man.

10. The supply of services to a person who belongs in a country, other than the United Kingdom, of work carried out on goods which, for that purpose, are acquired within, or imported into, the United Kingdom for subsequent export and in fact are exported.

11. The supply of services in procuring for another person:—

(*a*) an export of goods from the United Kingdom; or

(*b*) any of the supplies of services comprised in item 1, 2, 3, 4, 5, 6 or 10 of this Group; or

(*c*) any supply of goods or services made outside the United Kingdom.

Notes:

(1) Item 1 includes:—

(*a*) services in the course of the construction, alteration, repair, maintenance or demolition of any building or of any civil engineering work; and

(*b*) services such as are supplied by estate agents and auctioneers, architects, surveyors, engineers and others involved in matters relating to land;

but does not include any services comprised in paragraphs 1 to 7 of Schedule 2A to this Act.

(2) Item 2 does not include the letting on hire of any means of transport for use in a member state of the European Economic Community.

(3) Item 5, 6 or 10 applies only if the recipient would be treated as belonging in a country described therein if, for the purposes of section 8A of this Act, the rules contained therein were applied to him.

(4) Items 1 to 5 do not include services comprised in any Group of Schedule 5 to this Act.

(5) Item 5 does not include:—

(*a*) services of education, health or training (which are not comprised in any Group of Schedule 5 to this Act) performed in the United Kingdom other than training supplied to a foreign Government acting in furtherance of its sovereign activities; or

(*b*) the provision or organisation of conferences, exhibitions or meetings held in the United Kingdom or any related services.

(6) Item 6 does not include:—

(*a*) services comprised in any Group, other than those comprised in Group 2 or Group 5, of Schedule 5 to this Act; or

(*b*) services such as are mentioned in paragraph (*a*) or (*b*) of note (5).

(7) Items 5 and 6 do not include:—

(*a*) any service of valuing goods or of carrying out work on goods; or

(*b*) any service described in paragraph (*a*) or (*b*) of item 3;

where in either case the service is performed in the United Kingdom.

(8) Item 7 does not include a supply in respect of boats, aircraft or hovercraft which are comprised in item 1, 2, 3 or 4 of Group 3 of Schedule 7 to the Finance (No. 2) Act 1975(a).

(9) Item 11 does not include the supply of services of procurement by a travel agent for the account of a traveller where the place of enjoyment of the supplies procured is in a member state of the European Economic Community.

GROUP 10—TRANSPORT

Item No.

1. The supply, repair or maintenance of any ship which is neither:—
   (*a*) a ship of a gross tonnage of less than 15 tons; nor
   (*b*) a ship designed or adapted for use for recreation or pleasure.
2. The supply, repair or maintenance of any aircraft which is neither:—
   (*a*) an aircraft of a weight of less than 8,000 kilogrammes; nor
   (*b*) an aircraft designed or adapted for use for recreation or pleasure.
3. The supply to and repair or maintenance for the Royal National Life-boat Institution of any lifeboat.
4. Transport of passengers:—
   (*a*) in any vehicle, ship or aircraft designed or adapted to carry not less than twelve passengers; or
   (*b*) by the Post Office; or
   (*c*) on any scheduled flight.
5. Transport of passengers or freight outside the United Kingdom or to or from a place outside the United Kingdom.
6. Any services provided for:—
   (*a*) the handling of ships or aircraft in a port or customs airport; or
   (*b*) the handling, in a port or customs airport or on land adjacent to a port, of goods carried in a ship or aircraft.
7. Pilotage services.
8. Salvage or towage services.
9. Any services supplied within or outside the United Kingdom for or in connection with the surveying of any ship or aircraft or the classification of any ship or aircraft for the purposes of any register.
10. The making of arrangements for:—
    (*a*) the supply of, or of space in, any ship or aircraft; or
    (*b*) the supply of any service included in items 1 to 9, 11 and 12.

(a) 1975 c. 45.

11. The supply of services, performed outside the United Kingdom, which are ancillary to the transport of goods or passengers.

12. The supply to a person in his business capacity (and not in his private capacity) who as such belongs in a country other than the United Kingdom:—

(*a*) of services consisting of the storage at or transport to or from a port or customs airport of goods which respectively are to be exported or have been imported or of the handling or storage of such goods in connection with such transport; or

(*b*) of services comprised in paragraph (*a*) of item 6, item 9 or paragraph (*a*) of item 10.

Notes:

(1) 'Port' and 'customs airport' have the same meanings as in the Customs and Excise Act 1952(**a**).

(2) In items 1 and 2 'The supply' of a ship or aircraft, respectively comprised therein, includes the supply of any services under a charter of that ship or aircraft.

(3) 'Lifeboat' includes any ship used as a lifeboat.

(4) Except for the purposes of item 12, paragraph (*a*) of item 6, item 9 and paragraph (*a*) of item 10 do not include the supply of any services where the ships or aircraft referred to therein are of the descriptions specified in paragraphs (*a*) and (*b*) of item 1 or in paragraphs (*a*) and (*b*) of item 2 respectively.

(5) In items 1, 2 and 3 the supply respectively described therein includes the supply of the service of the letting on hire of craft comprised in the items.

(6) Item 6 does not include the supply of the service of the letting on hire of goods which supply would otherwise be a supply described therein.

(7) Item 12 applies only if the recipient would be treated as belonging in a country other than the United Kingdom if, for the purposes of section 8A of this Act, the rules contained therein were applied to him.

GROUP 11—CARAVANS AND HOUSEBOATS

Item No.

1. Caravans exceeding the limits of size for the time being permitted for the use on roads of a trailer drawn by a motor vehicle having an unladen weight of less than 2,030 kilogrammes.

2. Houseboats being boats or other floating decked structures designed or adapted for use solely as places of permanent habitation and not having means of, or capable of being readily adapted for, self-propulsion.

3. The supply of services, in respect of a caravan or a houseboat comprised respectively in items 1 and 2, described in paragraph 1(1) or 5(3) of Schedule 2 to this Act.

Note:

This Group does not include:—

(*a*) removable contents other than goods of a kind mentioned in item 3 of Group 8; or

(*b*) the supply of holiday accommodation including any accommodation advertised or held out as such.

(**a**) 1952 c. 44.

GROUP 12—GOLD

Item No.

1. The supply, by an authorised dealer in gold to another such dealer, of gold held in the United Kingdom.

2. The supply, by or to an authorised dealer in gold, of gold held by an authorised dealer in gold in the United Kingdom.

3. The supply, by an authorised dealer in gold to a Central Bank, of gold held in the United Kingdom.

4. The supply, by a Central Bank to an authorised dealer in gold, of gold held in the United Kingdom.

5. The supply, by a Central Bank to another Central Bank, of gold held in the United Kingdom.

Notes:

(1) 'Authorised dealer in gold' means a person for the time being authorised by an Order of the Treasury, under the Exchange Control Act 1947(**a**), to act for the purposes of that Act as an authorised dealer in relation to gold.

(2) 'Gold' includes gold coins.

(3) Item 2 does not apply to supplies of gold coins if the supply is to an individual in his private capacity, nor to supplies of gold if the supplier, or the recipient of the supply, not being an authorised dealer in gold, would be treated as belonging in the United Kingdom if, for the purposes of section 8A of this Act, the rules contained therein were applied to him.

(4) Section 12(3) of this Act does not apply to goods forming part of a description of supply in this Group.

(5) Items 1 to 5 include:—

(*a*) the granting of a right to acquire a quantity of gold; and

(*b*) any supply described therein, which, by virtue of Schedule 2, paragraph 1 of this Act, is a supply of services.

GROUP 13—BANK NOTES

Item No.

1. The issue by a bank of a note payable to bearer on demand.

GROUP 14—DRUGS, MEDICINES, MEDICAL AND SURGICAL APPLIANCES, ETC.

Item No.

1. The supply of any goods dispensed, by a person registered in the register of pharmaceutical chemists kept under the Pharmacy Act 1954(**b**) or the Pharmacy and Poisons Act (Northern Ireland) 1925(**c**), on the prescription of a person registered in the register of medical practitioners, the register of temporarily registered medical practitioners, the dentists' register or the list of visiting EEC practitioners.

2. The supply to the order of a person registered in the register of medical practitioners, the register of temporarily registered medical practitioners or the list of visiting EEC practitioners, to a chronically sick or disabled person, for domestic use, of medical or surgical appliances designed solely for the relief of a severe abnormality or severe injury.

(**a**) 1947 c. 14. (**b**) 1954 c. 61. (**c**) 1925 c. 8 (N.I.).

3. The supply to a chronically sick or disabled person, for domestic use, of the following:—

(*a*) electrically or mechanically adjustable beds designed for invalids;

(*b*) commode chairs, commode stools, devices incorporating a bidet jet and warm air drier and frames or other devices for sitting over or rising from a sanitary appliance;

(*c*) chair lifts or stair lifts designed for use in connection with invalid wheel chairs;

(*d*) hoists and lifters designed for use by invalids.

Notes:

(1) Section 12(3) of this Act does not apply to goods forming part of a description of supply in this Group.

(2) In item 2 'appliances' shall not include hearing aids, dentures, spectacles and contact lenses but shall be deemed to include:—

(*a*) clothing, footwear and wigs;

(*b*) invalid wheel chairs, and invalid carriages other than mechanically propelled vehicles intended or adapted for use on roads; and

(*c*) renal haemodialysis units, oxygen concentrators, artificial respirators and other similar apparatus.

(3) In item 3 'chronically sick or disabled person' shall include only a person who, as a chronically sick or disabled person, is under the care of a person registered in the register of medical practitioners, the register of temporarily registered medical practitioners or the list of visiting EEC practitioners.

(4) In items 1, 2 and 3 the supply respectively described therein includes the supply of the services of the letting on hire of goods comprised in the items.

(5) For the purposes of this Group a person, who is not registered in the list mentioned in this Group at the time he performs services in an urgent case as mentioned in paragraph 3 of Article 7 of the Medical Qualifications (EEC Recognition) Order 1977(**a**), is to be treated as being registered on that list where, but for the aforementioned urgency of the case, he is capable of being registered in accordance with that Article.

GROUP 15—IMPORTS, EXPORTS, ETC.

Item No.

1. The supply of imported goods before the delivery of an entry (within the meaning of section 28 of the Customs and Excise Act 1952) under an agreement requiring the purchaser to make such entry.

2. The transfer of goods or services from the United Kingdom by a person carrying on a business both inside and outside the United Kingdom to his place of business outside the United Kingdom.

3. The supply to or by an overseas authority, overseas body or overseas trader, charged with the management of any Defence project which is the subject of an international collaboration arrangement or under direct contract with any government or government sponsored international body participating in a Defence project under such an arrangement, of goods or services in the course of giving effect to that arrangement.

(a) S.I. 1977/827.

4. The supply to an overseas authority, overseas body or overseas trader of jigs, patterns, templates, dies, punches and similar machine tools used in the United Kingdom solely for the manufacture of goods for export.

Notes:

(1) Item 2 does not apply where the person makes other taxable supplies.

(2) An 'international collaboration arrangement' means any arrangement made:—

(*a*) between the United Kingdom Government and the government of one or more other countries, or any government sponsored international body for collaboration in a joint project of research, development or production; and

(*b*) which includes provision for participating governments to relieve the cost of the project from taxation.

(3) 'Overseas authority' means any country other than the United Kingdom or any part of or place in such a country or the government of any such country, part or place.

(4) 'Overseas body' means a body established outside the United Kingdom.

(5) 'Overseas trader' means a person who carries on a business and has his principal place of business outside the United Kingdom.

(6) Item 4 does not apply where the overseas authority, overseas body or overseas trader is a taxable person.

GROUP 16—CHARITIES, ETC.

Item No.

1. The supply by a charity established primarily for the relief of distress of any goods which have been donated for sale.

2. The export of any goods by a charity.

3. The supply, for donation to a designated hospital or research institution, of medical or scientific equipment solely for use in medical research, diagnosis or treatment, where such equipment is purchased with funds provided:—

(*a*) by a charity; or

(*b*) from voluntary contributions.

Notes:

(1) Where the goods have been donated from his stock in trade by a taxable person item 1 shall only apply to the extent that the cost of the goods to him did not exceed £10.

(2) Item 1 shall apply only if the supply is a sale by the first donee of the goods.

(3) 'The relief of distress' means:—

(*a*) the relief of poverty; or

(*b*) the making of provision for the cure or mitigation or prevention of, or for the care of persons suffering from or subject to, any disease or infirmity or disability affecting human beings (including the care of women before, during and after child birth).

(4) Item 3 does not apply where:—

(*a*) the supply is to a person other than the donor of the equipment; or

(*b*) the activities of the hospital or research institution are carried on for profit; or

(*c*) the donee of the equipment has contributed wholly or in part to the funds provided for the purchase thereof.

GROUP 17—CLOTHING AND FOOTWEAR

Item No.

1. Articles designed as clothing or footwear for young children and not suitable for older persons except articles within item 1 of Group 6 of Schedule 7 to the Finance (No. 2) Act 1975(a).

2. Protective boots and helmets for industrial use.

3. Protective helmets for wear by a person driving or riding a motor bicycle.

Notes:

(1) 'Clothing' includes hats and other headgear.

(2) Items 2 and 3 apply only where the articles referred to therein are manufactured to standards for boots or helmets approved by the British Standards Institution and bear a marking indicating compliance with the specification relating thereto.

(3) Items 1, 2 and 3 include the supply of services, in respect of goods comprised in the items, described in paragraph 1(1) or 5(3) of Schedule 2 to this Act.".

(a) 1975 c. 45.

SCHEDULE 2

SUBSTITUTED DESCRIPTIONS

"SCHEDULE 5

EXEMPTIONS

GROUP 1—LAND

Item No.

1. The grant, assignment or surrender of any interest in or right over land or of any licence to occupy land, other than:—
   (*a*) the provision of accommodation in a hotel, inn, boarding house or similar establishment or of holiday accommodation in a house, flat, caravan or houseboat;
   (*b*) the granting of facilities for camping in tents or caravans;
   (*c*) the granting of facilities for parking a vehicle;
   (*d*) the granting of any right to take game or fish;
   (*e*) the granting of any right to fell and remove standing timber;
   (*f*) the granting of facilities for housing, or storage of, an aircraft or for mooring, or storage of, a ship, boat or vessel; and
   (*g*) the provision to an exhibitor of a site or space at any exhibition, or similar event, organised wholly or mainly for the display or advertisement of goods or services.

Notes:

(1) 'Holiday accommodation' includes any accommodation advertised or held out as such.

(2) 'Houseboat' includes a houseboat within the meaning of Group 11 of Schedule 4.

(3) 'Mooring' includes anchoring or berthing.

GROUP 2—INSURANCE

Item No.

1. The provision of insurance and re-insurance by authorised insurers within the meaning of sections 2 to 9 of the Insurance Companies Act 1974(a).

2. The provision of insurance and re-insurance by the Export Credits Guarantee Department.

3. The making of arrangements for the provision of any insurance or re-insurance in items 1 and 2.

4. The handling of insurance claims by insurance brokers, insurance agents and authorised insurers as described in item 1.

Note: Item 4 does not include supplies by loss adjusters, average adjusters, motor assessors, surveyors, and other experts, and legal services, in connection with the assessment of any claim.

GROUP 3—POSTAL SERVICES

Item No.

1. The conveyance of postal packets by the Post Office.

2. The supply by the Post Office of any services in connection with the conveyance of postal packets.

(a) 1974 c. 49.

Notes:

(1) 'Postal packet' has the same meaning as in the Post Office Act 1953(**a**), except that it does not include a telegram.

(2) Item 2 does not include the supply of the service of the letting on hire of goods which supply would otherwise be a supply described therein.

GROUP 4—BETTING, GAMING AND LOTTERIES

Item No.

1. The provision of any facilities for the placing of bets or the playing of any games of chance.

2. The granting of a right to take part in a lottery.

Notes:

(1) Item 1 does not include:—

(*a*) admission to any premises; or

(*b*) the granting of a right to take part in a game in respect of which a charge may be made by virtue of regulations under section 14 of the Gaming Act 1968(**b**); or

(*c*) the provision by a club of such facilities to its members as are available to them on payment of their subscription but without further charge; or

(*d*) the provision of a gaming machine.

(2) 'Game of chance' has the same meaning as in the Gaming Act 1968.

(3) 'Lottery' includes any competition for prizes which is authorised by a licence under the Pool Competitions Act 1971(**c**).

(4) 'Gaming machine' means a machine in respect of which the following conditions are satisfied, namely:—

(*a*) it is constructed or adapted for playing a game of chance by means of it; and

(*b*) a player pays to play the machine (except where he has an opportunity to play payment-free as the result of having previously played successfully), either by inserting a coin or token into the machine or in some other way; and

(*c*) the element of chance in the game is provided by means of the machine.

GROUP 5—FINANCE

Item No.

1. The issue, transfer or receipt of, or any dealing with, money, any security for money or any note or order for the payment of money.

2. (*a*) The making of any advance or the granting of any credit.

(*b*) The provision of the facility of instalment credit finance in a hire-purchase agreement for which facility a separate charge is made and disclosed to the recipient of the supply of goods.

3. The making of arrangements for any transaction comprised in item 1 or 2.

4. The issue, transfer or receipt of, or any dealing with, any security or secondary security within the definition in section 42 of the Exchange Control Act 1947(**d**).

(**a**) 1953 c. 36. (**b**) 1968 c. 65. (**c**) 1971 c. 57. (**d**) 1947 c. 14.

5. The operation of any current, deposit or savings account.

Notes:

(1) Item 1 does not include anything included in item 4.

(2) This Group does not include the supply of a coin (other than a gold coin which is legal tender in its place of issue) or a banknote as a collectors' piece or as an investment article.

(3) Item 2(*a*) includes the supply of credit by a person, in connection with a supply of goods or services by him, for which a separate charge is made and disclosed to the recipient of the supply of goods or services.

GROUP 6—EDUCATION

Item No.

1. The provision of education by a school or university.
2. The provision, otherwise than for profit, of:—
   (*a*) education if it is of a kind provided by a school or university; or
   (*b*) training or re-training for any trade, profession or employment.
3. Private tuition, in subjects (except those of a recreational or sporting nature) which are normally taught in the course of education provided by a school or university, to an individual pupil by a teacher acting independently of any employer or organisation.
4. The supply of any goods or services incidental to the provision of any education, training or re-training comprised in items 1 and 2.
5. The provision of any instruction supplemental to the provision of any education comprised in items 1 and 2.
6. The provision by a youth club of the facilities available to its members.

Notes:

(1) 'Education' includes training in any form of art.

(2) 'School' in items 1, 2 and 3 means an institution which, within the meaning of the Education Acts 1944 to 1976, the Education (Scotland) Acts 1939 to 1976 or the Education and Libraries (Northern Ireland) Orders 1972(a) and 1976(b), provides primary or secondary education or both, and which:—

(*a*) within the meaning of the aforesaid legislation, either is provisionally, finally or deemed to be registered as a school in a register of independent schools or is a school in respect of which grants are made by the appropriate Secretary of State to the proprietor or managers of that school; or

(*b*) is a voluntary school within the meaning of the Education Act 1944(c) or the Education and Libraries (Northern Ireland) Orders 1972 and 1976.

(3) 'University' means a United Kingdom university and includes any college, institution, school or hall of such a university.

(4) Paragraph (*a*) of item 2 does not include recreational or sporting activities except when provided as part of a general educational curriculum.

(5) Item 4 applies only where the supplies described therein are made to the persons receiving the education, training or re-training comprised in items 1 and 2, by the same person who provides them with that education, training or re-training.

(6) Item 5 applies only where the instruction described therein is provided to persons receiving education comprised in items 1 and 2 by the same person who provides them with that education.

(a) S.I. 1972/1263 (N.I. 12). (b) S.I. 1976/58 (N.I. 2). (c) 1944 c. 31.

GROUP 7—HEALTH

Item No.

1. The supply of services and, in connection with it, the supply of goods, by a person registered or enrolled in any of the following:—
   (*a*) the register of medical practitioners, the register of temporarily registered medical practitioners or a person registered in the list of visiting EEC practitioners;
   (*b*) the dentists' register;
   (*c*) either of the registers of ophthalmic opticians or the register of dispensing opticians kept under the Opticians Act 1958(**a**) or either of the lists kept under section 4 of that Act of bodies corporate carrying on business as ophthalmic opticians or as dispensing opticians;
   (*d*) any register kept under the Professions Supplementary to Medicine Act 1960(**b**);
   (*e*) the register of nurses or the roll of nurses maintained in pursuance of section 2(1) of the Nurses Act 1957(**c**) or kept under section 2 or section 3 of the Nurses (Scotland) Act 1951(**d**) or section 17(1) of the Nurses and Midwives Act (Northern Ireland) 1970(**e**);
   (*f*) the roll of certified midwives kept under section 2 of the Midwives Act 1951(**f**), section 3 of the Midwives (Scotland) Act 1951(**g**) or section 17(1) of the Nurses and Midwives Act (Northern Ireland) 1970;
   (*g*) any roll of ancillary dental workers established under section 41 of the Dentists Act 1957(**h**);
   (*h*) the register of dispensers of hearing aids and the register of persons employing such dispensers maintained under section 2 of the Hearing Aid Council Act 1968(**i**).
2. The supply of any goods or services by a dental technician.
3. The supply of any services by a person registered in the register of pharmaceutical chemists kept under the Pharmacy Act 1954(**j**) or the Pharmacy and Poisons Act (Northern Ireland) 1925(**k**).
4. The provision of care or medical or surgical treatment and, in connection with it, the supply of any goods, in any hospital or other institution approved, licensed, registered or exempted from registration by any Minister or other authority.

Notes:

(1) Item I does not include the supply of the service of the letting on hire of goods other than such a supply which is in connection with a supply of other services comprised in the item.

(2) For the purposes of this Group a person, who is not registered in the list mentioned in item 1 at the time he performs services in an urgent case as mentioned in paragraph 3 of Article 7 of the Medical Qualifications (EEC Recognition) Order 1977(**l**), is to be treated as being registered on that list where, but for the aforementioned urgency of the case, he is capable of being registered in accordance with that Article.

(3) Item 3 does not include the supply of the service of the letting on hire of goods.

(**a**) 1958 c. 32.
(**b**) 1960 c. 66.
(**c**) 1957 c. 15.
(**d**) 1951 c. 55.
(**e**) 1970 c. 11 (N.I.).
(**f**) 1951 c. 53.
(**g**) 1951 c. 54.
(**h**) 1957 c. 28.
(**i**) 1968 c. 50.
(**j**) 1954 c. 61.
(**k**) 1925 c. 8 (N.I.).
(**l**) S.I. 1977/827.

GROUP 8—BURIAL AND CREMATION

Item No.

1. The disposal of the remains of the dead.

2. The making of arrangements for or in connection with the disposal of the remains of the dead.

GROUP 9—TRADE UNIONS AND PROFESSIONAL BODIES

Item No.

1. The supply to its members of such services and, in connection with those services, of such goods as are both referable only to its aims and available without payment other than a membership subscription by any of the following non-profit making organisations:—

   (*a*) a trade union or other organisation of persons having as its main object the negotiation on behalf of its members of the terms and conditions of their employment;

   (*b*) a professional association, membership of which is wholly or mainly restricted to individuals who have or are seeking a qualification appropriate to the practice of the profession concerned;

   (*c*) an association, the primary purpose of which is the advancement of a particular branch of knowledge, or the fostering of professional expertise, connected with the past or present professions or employments of its members;

   (*d*) an association, the primary purpose of which is to make representations to the Government on legislation and other public matters which affect the business or professional interests of its members.

Notes:

(1) Item 1 does not include any right of admission to any premises, event or performance, to which non-members are admitted for a consideration.

(2) 'Trade union' has the meaning ascribed in section 28(1) of the Trade Union and Labour Relations Act 1974(**a**).

(3) Item 1 shall include organisations and associations the membership of which consists wholly or mainly of constituent or affiliated associations which as individual associations would be comprised in the item; and 'member' shall be construed as including such an association and 'membership subscription' shall include an affiliation fee or similar levy.

(4) Paragraph (*c*) does not apply unless the association restricts its membership wholly or mainly to individuals whose present or previous professions or employments are directly connected with the purposes of the association.

(5) Paragraph (*d*) does not apply unless the association restricts its membership wholly or mainly to individuals or corporate bodies whose business or professional interests are directly connected with the purposes of the association.".

(**a**) 1974 c. 52.

SCHEDULE 3

SUBSTITUTED DESCRIPTIONS

"SCHEDULE 7

HIGHER RATE

GROUP 1—DOMESTIC APPLIANCES

Item No.

1. Goods of a kind suitable for domestic use which are operated by electricity or, in the case of horticultural appliances, by electricity or by an internal combustion engine, except:—
   (*a*) boiling rings, ovens, ranges and stoves;
   (*b*) space heaters;
   (*c*) appliances for water heating ordinarily installed as fixtures;
   (*d*) light fittings and torches;
   (*e*) telephones of a kind supplied by the Post Office and ancillary equipment of a kind so supplied;
   (*f*) tools of a kind used wholly or mainly for carpentry, metalwork or masonry work;
   (*g*) clocks, watches and timing devices;
   (*h*) mechanical lighters;
   (*i*) hearing aids;
   (*j*) goods suitable for domestic use as, and only as, parts of goods (whether operated by electricty or not) of a kind mentioned in paragraphs (*a*) to (*i*);
   (*k*) goods within Group 2 or Group 5.
2. Refrigerators and freezers of a kind suitable for domestic use, not being goods within item 1.
3. Accessories to goods within item 1 or item 2.
4. Accessories to goods excepted from item 1 by paragraph (*f*) of that item, if the accessories are for horticultural use.
5. Goods of a kind suitable for use as parts of goods comprised in items 1 to 4, except:—
   (*a*) nuts, bolts, screws, screw caps, nails, washers, eyelets, rivets, pins, studs, buckles, engineers' keys, hose fittings, tube fittings, springs, bushes, bearings and magnets;
   (*b*) hinges, brackets, latches, catches, locks and keys;
   (*c*) electric batteries, fuses, mains plugs, electric filament light bulbs, fluorescent tubes, tags and terminals;
   (*d*) wheels (other than steering wheels), castors and tyres and parts of such goods;
   (*e*) goods of a kind used mainly as parts of engines;
   (*f*) mudguards, suspension units, hub assemblies and attaching brake parts, and brake linkage;
   (*g*) sewing machine needles.
6. The installation, alteration, testing, repair or maintenance of, or the provision of similar services in respect of, goods comprised in items 1 to 5.
7. The supply of goods in connection with a supply of services within item 6.

8. The supply of services, in respect of goods comprised in items 1 to 5, described in paragraph 1(1) or 5(3) of Schedule 2 to the Finance Act 1972(a) as amended by the Finance Act 1977(b).

Notes:

(1) The goods excepted from item 1 by paragraph (*a*) of that item do not include hotplates or other appliances for keeping food hot.

(2) 'Mechanical lighters' has the meaning assigned to it by section 221(4) of the Customs and Excise Act 1952(c).

GROUP 2—RADIO AND TELEVISION SETS, ETC.

Item No.

1. Goods of a kind suitable for domestic or recreational use which are, or are capable of use as, goods within the following paragraphs:—
   (*a*) television sets;
   (*b*) radio receivers or transmitters;
   (*c*) gramophones or tape recorders;
   (*d*) electronic musical instruments.
2. Microphones, radio-tuners, turntables, amplifiers, loudspeakers and other goods capable of use as components of goods within item 1, being of a kind suitable for domestic or recreational use.
3. Combinations of goods within item 2.
4. Accessories to goods comprised in items 1 to 3.
5. Goods of a kind suitable for use as parts of goods comprised in items 1 to 4, except goods within the exceptions from item 5 of Group 1.
6. The installation, alteration, testing, repair or maintenance of, or the provision of similar services in respect of, goods comprised in items 1 to 5.
7. The supply of goods in connection with a supply of services within item 6.
8. The supply of services, in respect of goods comprised in item 1, 2, 4 or 5, or of combinations of goods comprised in item 3, described in paragraph 1(1) or 5(3) of Schedule 2 to the Finance Act 1972 as amended by the Finance Act 1977.

Notes:

(1) Items 1 and 2 include goods which can be adapted to produce goods within those items.

(2) 'Television sets' and 'radio receivers' include apparatus designed to receive programmes transmitted by wire.

(3) 'Gramophones or tape recorders' includes video cassette machines and other equipment for recording or reproducing sound or visual images by means of gramophone records, magnetic tape or similar recording media.

(4) 'Electronic musical instruments' means musical instruments which incorporate or are designed for use with, an amplifier.

(5) Item 8 does not include any television set which was, and so long as it remains, supplied under a contract of hire entered into prior to 16th April 1975.

(a) 1972 c. 41. (b) 1977 c. 36. (c) 1952 c. 44.

(6) Item 3 does not include hearing aids.

(7) 'Accessories' includes aerials.

(8) Item 4 does not include:—

(*a*) gramophone records, magnetic tape or other recording media;

(*b*) goods for cleaning or storing goods within paragraph (*a*);

(*c*) tape splicers.

(9) Items 1 and 3 do not include radio receivers or transmitters of a kind used solely on boats and designed to be operated solely on radio frequencies designated for distress calls at sea.

(10) Items 1 and 3 do not include the following equipment:—

(*a*) very high frequency receivers or transmitters;

(*b*) very high frequency omni-directional radio range equipment;

(*c*) automatic direction finding equipment;

(*d*) distance measuring equipment;

(*e*) instrument landing system receivers;

(*f*) other radio navigation equipment;

if in each case it is of a kind used solely on aircraft and complies with the requirements of the rules for the time being in force under the Civil Aviation Acts 1949 to 1971(**a**).

GROUP 3—BOATS AND AIRCRAFT

Item No.	
1.	Boats— (*a*) of a gross tonnage of less than 15 tons; or (*b*) designed for use for recreation or pleasure; except boats which are of a kind used solely as liferafts and comply with the requirements of the rules for the time being in force under section 427 of the Merchant Shipping Act 1894(**b**) in relation to liferafts.
2.	Boats adapted for use for recreation or pleasure.
3.	Aircraft— (*a*) of a weight of less than 8,000 kilogrammes; or (*b*) designed or adapted for use for recreation or pleasure.
4.	Hovercraft designed or adapted for use for recreation or pleasure.
5.	The following accessories to goods within item 1 or item 2, namely:— (*a*) outboard motors and other engines; (*b*) electricity generators; (*c*) sails; (*d*) logs, wind speed, wind direction and boat speed indicators, and other navigational and meteorological instruments and recorders except compasses, echo sounders and radar sets; (*e*) automatic pilots and automatic steering gear; (*f*) trailers and trolleys.
6.	Goods of a kind suitable for use as parts of goods within item 1 or item 5, except goods within the exceptions from item 5 of Group 1.

(**a**) 1949 c. 67; 1968 c. 61; 1971 c. 75.

(**b**) 1894 c. 60.

7. Parts of aircraft which are of a weight of less than 8,000 kilogrammes and of a kind used for recreation or pleasure, except parts within the exceptions from item 5 of Group 1.

8. The alteration, testing, repair or maintenance of, or the provision of similar services in respect of, goods within item 1, item 5 or item 6.

9. The supply of materials or parts in connection with a supply of services within item 8.

10. The supply of services, in respect of goods comprised in items 1 to 7, described in paragraph 1(1) or 5(3) of Schedule 2 to the Finance Act 1972 as amended by the Finance Act 1977.

11. The classification or surveying of goods within item 1, 2, 4 or 5.

12. The making of arrangements for the supply of goods comprised in items 1 to 5, or for the supply of services, in respect of such goods, described in paragraph 1(1) or 5(3) of Schedule 2 to the Finance Act 1972 as amended by the Finance Act 1977.

Notes:

(1) 'Boats' includes ships, inflatable craft and submersibles.

(2) 'Aircraft' includes gliders and balloons.

(3) 'Hovercraft' has the same meaning as in the Hovercraft Act 1968(**a**).

(4) This Group does not include the letting on hire of a boat:—

(*a*) as holiday accommodation for a period not exceeding 28 consecutive days by a person who customarily hires out boats to the public for such purposes; or

(*b*) for a period of less than a day if the boat is customarily held out for letting for such periods;

or the making of arrangements for any such letting.

GROUP 4—CARAVANS

Item No.

1. Caravans suitable for use as trailers drawn by motor vehicles having an unladen weight of less than 2,030 kilogrammes.

2. Caravan units designed to be mounted and carried on, and de-mounted from, motor vehicles.

3. Goods of a kind suitable for use as parts of goods within item 1 or item 2, except goods within the exceptions from item 5 of Group 1.

4. The alteration, repair or maintenance of, or the provision of similar services in respect of, goods comprised in items 1 to 3.

5. The supply of materials or parts in connection with a supply of services within item 4.

6. The supply of services, in respect of goods comprised in items 1 to 3, described in paragraph 1(1) or 5(3) of Schedule 2 to the Finance Act 1972 as amended by the Finance Act 1977.

7. The making of arrangements for the supply of goods comprised in item 1 or 2, or for the supply of services, in respect of such goods, described in paragraph 1(1) or 5(3) of Schedule 2 to the Finance Act 1972 as amended by the Finance Act 1977.

(**a**) 1968 c. 59.

Notes:

(1) Items 1 and 2 do not include removable contents of a kind not ordinarily installed as fixtures.

(2) This Group does not include the letting on hire of a caravan:—

(*a*) for use solely on a specified site; or

(*b*) as holiday accommodation for a period not exceeding 28 consecutive days by a person who customarily hires out caravans to the public for such purposes;

or the making of arrangements for any such letting.

GROUP 5—PHOTOGRAPHIC EQUIPMENT, BINOCULARS, ETC.

Item No.	
1.	Goods within the following paragraphs if they are of a kind suitable for domestic or recreational use:— (*a*) photographic and cinematographic cameras; (*b*) apparatus for developing, printing, reproducing, enlarging, reducing, editing or otherwise processing photographic or cinematographic images on film, plates or paper; (*c*) cinematographic, film strip or slide projectors, slide viewers, epidiascopes, projector screens and other apparatus for viewing photographic or cinematographic images.
2.	Binoculars, monoculars, field glasses, opera glasses and terrestrial telescopes.
3.	Accessories to goods comprised in items 1 and 2.
4.	Goods of a kind suitable for use as parts of goods comprised in items 1 to 3, except goods within the exceptions from item 5 of Group 1.
5.	The installation, alteration, testing, repair or maintenance of, or the provision of similar services in respect of, goods comprised in items 1 to 4.
6.	The supply of goods in connection with a supply of services within item 5.
7.	The supply of services, in respect of goods comprised in items 1 to 4, described in paragraph 1(1) or 5(3) of Schedule 2 to the Finance Act 1972 as amended by the Finance Act 1977.

Notes:

(1) Item 1 includes goods which can be adapted to produce goods within that item.

(2) Items 1 and 3 do not include:—

(*a*) film, plates and paper;

(*b*) chemicals;

(*c*) disposable flash bulbs;

(*d*) albums, mounts, wallets and other photographic stationery;

(*e*) slide boxes and other storage equipment for developed film, plates or prints.

GROUP 6—FURS

Item No.

1. Clothing made wholly or partly of fur skin, except:—
   (*a*) headgear;
   (*b*) gloves;
   (*c*) footwear;
   (*d*) buttons, belts and buckles;
   (*e*) any garment merely trimmed with fur skin unless the trimming has an area greater than one-fifth of the area of the outside material or, in the case of a new garment, represents a cost to the manufacturer greater than the cost to him of the other components.
2. Rugs, other than goat skin rugs, made wholly or partly of fur skin.
3. Fur skin, whether or not tanned or dressed.
4. The application to goods comprised in items 1 to 3 of any process or treatment, except the cleaning of goods comprised in items 1 and 2.
5. The supply of goods in connection with a supply of services within item 4.
6. The supply of services, in respect of goods comprised in items 1 to 3, described in paragraph 1(1) or 5(3) of Schedule 2 to the Finance Act 1972 as amended by the Finance Act 1977.
7. The storage of goods comprised in items 1 to 3.

Notes:

(1) 'Fur skin' means any skin with fur, hair or wool attached except:—
   (*a*) rabbit skin;
   (*b*) woolled sheep or lamb skin; and
   (*c*) the skin, if neither tanned nor dressed, of bovine cattle (including buffalo), equine animals, goats or kids (other than Yemen, Mongolian and Tibetan goats or kids), swine (including peccary), chamois, gazelles, deer or dogs.

(2) Item 3 does not include goods comprised in items 1 and 2 or excepted from item 1 but does include other goods made of fur skin and capable of being made into or incorporated in such goods.

(3) Item 4 includes the repair or alteration of goods comprised in items 1 to 3.

GROUP 7—JEWELLERY, GOLDSMITHS' AND SILVERSMITHS' WARES, ETC.

Item No.

1. Jewellery, goldsmiths' and silversmiths' wares and similar goods made (in each case) wholly or partly from:—
   (*a*) precious metal;
   (*b*) precious stones;
   (*c*) semi-precious stones mounted, set or strung;
   (*d*) real or cultured pearls.
2. Precious stones, except:—
   (*a*) uncut diamonds;
   (*b*) diamond powder or dust.
3. Semi-precious stones in the form of gems, jewels or beads.

4. Real or cultured pearls.
5. Jade and articles of jade.
6. The design or valuation of, the application of any process or treatment to, or the provision of similar services in respect of, goods comprised in items 1 to 5.
7. The supply of goods in connection with a supply of services within item 6.
8. The supply of services, in respect of goods comprised in items 1 to 5, described in paragraph 1(1) or 5(3) of Schedule 2 to the Finance Act 1972 as amended by the Finance Act 1977.

Notes:

(1) 'Precious metal' means gold, silver, platinum and any alloy containing any of those metals.

(2) 'Platinum' includes iridium, osmium, palladium, rhodium and ruthenium.

(3) 'Precious stones' means diamonds, rubies, sapphires and emeralds; and 'precious stones' and 'semi-precious stones' include synthetic stones which are similar to natural stones in respect of their physical properties and chemical composition.

(4) In item 1 'similar goods' includes:—

(*a*) articles of personal use of a kind normally carried in the pocket or handbag;

(*b*) trophy cups, shields and similar articles of a kind awarded as prizes;

(*c*) medals, medallions and the insignia of orders and decorations, and miniatures or reproductions of medals, medallions or such insignia.

(5) Goods do not fall within item 1 by reason only of one or more of the following:—

(*a*) that they are coated or plated with precious metal;

(*b*) in the case of clocks and watches, that they contain precious or semi-precious stones as part of the movement;

(*c*) in the case of fountain pens, that the nib contains precious metal.

(6) Item 1 does not include goods of a kind suitable only for use:—

(*a*) in churches, chapels or other buildings used mainly as places of meeting for religious worship; or

(*b*) by ministers of religion.

(7) Item 6 does not include the cleaning, repair or maintenance of the movements of clocks or watches.

GROUP 8—PETROL, ETC.

Item No.

1. Light oil, except where it is in containers not exceeding 20 fluid ounces and is intended for sale in those containers solely as fuel for mechanical lighters.
2. Petrol substitute.
3. Power methylated spirits.

Notes:

(1) 'Light oil,' 'petrol substitute' and 'power methylated spirits' have the same meanings as in the Hydrocarbon Oil (Customs & Excise) Act 1971(**a**).

(2) 'Mechanical lighters' has the meaning assigned to it by section 221(4) of the Customs and Excise Act 1952(**b**).".

(**a**) 1971 c. 12. (**b**) 1952 c. 44.

SCHEDULE 4

SUPERSEDED ORDERS

Order revoked	References
The Value Added Tax (Consolidation) Order 1976	S.I. 1976/128
The Value Added Tax (Education) Order 1976	S.I. 1976/2024
The Value Added Tax (Food) Order 1976	S.I. 1976/2025
The Value Added Tax (Machine Tools) Order 1976	S.I. 1976/2026
The Value Added Tax (Higher Rate) Order 1976	S.I. 1976/2027
The Value Added Tax (Sewerage Services and Water) Order 1976	S.I. 1976/2029
The Value Added Tax (Higher Rate) Order 1977	S.I. 1977/1786
The Value Added Tax (Education) Order 1977	S.I. 1977/1787
The Value Added Tax (Trade Unions and Professional Bodies) Order 1977	S.I. 1977/1788
The Value Added Tax (Gold) Order 1977	S.I. 1977/1789
The Value Added Tax (International Services) Order 1977	S.I. 1977/1791
The Value Added Tax (Construction of Buildings, etc.) Order 1977	S.I. 1977/1792
The Value Added Tax (General) Order 1977	S.I. 1977/1793
The Value Added Tax (Insurance) Order 1977	S.I. 1977/1794
The Value Added Tax (Finance) Order 1977	S.I. 1977/1797
The Value Added Tax (International Services) (No. 2) Order 1977	S.I. 1977/1849

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order replaces the Value Added Tax (Consolidation) Order 1977 in which because of an error in the substituted Schedule 4, Group 17 (Clothing and Footwear), Item 1 the word "designed" appeared as "designated". That Order was intended to be a consolidation but because of this typographical error the zero-rating of certain supplies was inadvertently changed and consequently the proper Parliamentary procedure was not followed.

This Order remedies the error and consolidates the descriptions of supplies of goods or services which are either zero-rated for, or exempt from, value added tax. These reliefs were originally included in Schedules 4 and 5 to the Finance Act 1972, varied by subsequent Treasury Orders, and consolidated in the Value Added Tax (Consolidation) Order 1976. These Schedules have been further varied by thirteen Treasury Orders made between 29th November 1976 and 10th November 1977, and take account of the provisions of the Finance Act 1977.

This Order also consolidates the descriptions of supplies of goods or services which are higher-rated for value added tax by virtue of Schedule 7 to the Finance (No. 2) Act 1975. That Schedule was varied by subsequent Treasury Orders and consolidated with the provisions referred to above in the Value Added Tax (Consolidation) Order 1976. The Schedule has been further varied by two Treasury Orders made between 29th November 1976 and 1st November 1977, and takes account of the provisions of the Finance Act 1977.

The Value Added Tax (Consolidation) Order 1977 is revoked.

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