STATUTORY INSTRUMENTS

1974 No. 1331

VALUE ADDED TAX

The Value Added Tax (Donated Medical Equipment) Order 1974

Made - - -	1*st August* 1974
Laid before the House of Commons	2*nd August* 1974
Coming into Operation	23*rd August* 1974

The Treasury, in exercise of the powers conferred on them by section 12(4) of the Finance Act 1972(**a**) 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 (Donated Medical Equipment) Order 1974 and shall come into operation on 23rd August 1974.

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

3. The following shall be substituted for Group 16 of Schedule 4 to the Finance Act 1972 as amended (**c**):—

"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 of the exception contained in paragraph 6 of Schedule 3 to this Act.

(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—

(i) the relief of poverty; or

(ii) 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).

(a) 1972 c. 41. **(b)** 1889 c. 63.
(c) S.I. 1974/1146 (1974 II, p.4374).

(4) Item 3 does not apply where—

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

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

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

M. Cocks,
Donald R. Coleman,
Two of the Lords Commissioners of Her Majesty's Treasury.

1st August 1974.

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order zero-rates the supply of medical and scientific equipment purchased with charitable or voluntarily subscribed funds for donation to a non-profit making hospital or research institution for the purposes of medical research, diagnosis or treatment.

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