STATUTORY INSTRUMENTS

1973 No. 324

VALUE ADDED TAX

The Value Added Tax (General) (No. 1) Order 1973

Made - - - - - -	*26th February* 1973
Laid before the House of Commons	*6th March* 1973
Coming into Operation - -	*1st April* 1973

The Treasury, in exercise of the powers conferred on them by sections 12(4) and 13(2) of the Finance Act 1972(**a**) hereby make the following Order:—

1. This Order may be cited as the Value Added Tax (General) (No. 1) Order 1973 and shall come into operation on 1st April 1973.

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

(*b*) In this Order the words " the Schedule " shall mean in Part I of the Order Schedule 4 of the Finance Act 1972 and in Part II of the Order Schedule 5 of the Finance Act 1972.

PART I

3. Item 1 of Group 2 of the Schedule shall be amended by adding a comma after the words " distilled water " and inserting the words " deionised water and water of similar purity ".

4.—(*a*) The following item shall be added to Group 7 of the Schedule:—

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

(*b*) The following note shall be added to the Group:—

"*Note:* "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.".

5. Items 3 and 4 of Group 9 of the Schedule shall be amended by the insertion after the word " advertisement " of the words " in the United Kingdom ".

6. Item 10 of Group 9 of the Schedule shall be amended by the deletion of the word " exercisable " and by the insertion after the word " right " of the words " solely exercisable or exercised ".

7.—(*a*) The following item shall be added to Group 10 of the Schedule:—

" 11. The supply on hire of any container solely for the transport of freight outside the United Kingdom or to or from a place outside the United Kingdom.".

(a) 1972 c. 41. (b) 1889 c. 63.

(*b*) The following note shall be added to the Notes to the Group:—

" (4) " Container " means an article of transport equipment specially designed to facilitate the carriage of goods, by one or more modes of transport, without intermediate reloading, including a lift-van, moveable tank, or other similar structure not having wheels, and excludes packaging.".

8. Item 1 of Group 11 of the Schedule shall be deleted and there shall be substituted therefor the following:—

" 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 tons.".

9. After Group 14 of the Schedule there shall be added the following Group:—

" 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(**a**)) 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.

Notes:

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

(2) An " international collaboration arrangement " means any arrangement made—

(i) 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

(ii) 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.".

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

PART II

10. Item 1 of Group 1 of the Schedule shall be amended by—

(*a*) the deletion of the words:

" in a house, flat or caravan used wholly or mainly for the provision of holiday accommodation;"

and by substitution therefor of the words:

" of holiday accommodation in a house, flat or caravan;"

(*b*) the deletion of the word " fish." and the substitution therefor of the words " fish; and

(*e*) the granting of any right to fell and remove standing timber."; and accordingly at the end of paragraph (*c*) thereof the word " and " shall be deleted and

(*c*) the addition at the end of the item of the following words:

" *Note:* " Holiday accommodation " includes any accommodation advertised or held out as such.".

Tim Fortescue,
Hugh Rossi,
Two of the Lords Commissioners of Her Majesty's Treasury.

26th February 1973.

EXPLANATORY NOTE

(*This Note is not part of the Order.*)

This Order amends several of the descriptions of supplies which are zero-rated or exempt from value added tax under Schedules 4 and 5 of the Finance Act 1972. In particular the Order:—

(1) makes deionised water and water of similar purity to deionised water liable to the standard rate of value added tax;

(2) zero-rates all lubricating oils, whatever their composition, not already within the scope of Item 4 of Group 7 in Schedule 4;

(3) restricts Items 3 and 4 of Group 9 in Schedule 4 to advertisements placed in United Kingdom media on behalf of an overseas trader or an overseas authority;

(4) restricts the zero-rating of the granting of any right to a right either solely exercisable or solely exercised outside the United Kingdom;

(5) zero-rates the hire in the United Kingdom of certain containers when they are to be used solely for the international transport of freight;

(6) zero-rates certain caravans (mainly used by travelling showmen) which are above the normal limits of size permitted for use of trailers on the roads

under the Motor Vehicles (Construction and Use) Regulations 1969 (S.I. 1969/321);

(7) adds to Schedule 4 a new Group which zero-rates:—

(*a*) the supply of imported goods in the United Kingdom which takes place before the goods are entered for Customs purposes except where the supplier is responsible for making entry;

(*b*) the transfer of goods or services from a person carrying on a business in the United Kingdom to his place of business outside the United Kingdom;

(*c*) the supply in the United Kingdom of goods and services to or by certain overseas bodies concerned with a Defence project under an international collaboration arrangement entered into by Her Majesty's Government;

(8) amends the provision relating to holiday accommodation in a house, flat or caravan, so that the standard rate of value added tax applies to such accommodation when it is supplied as holiday accommodation; and

(9) applies the standard rate of value added tax to the granting of any rights to fell and remove standing timber.

SI 1973/324
ISBN 0-11-030324-5

