STATUTORY INSTRUMENTS

1977 No. 1789

VALUE ADDED TAX

The Value Added Tax (Gold) Order 1977

Made - - -	1*st November* 1977
Laid before the House of Commons -	10th *November* 1977
Coming into Operation	1*st January* 1978

The Treasury, in exercise of the powers conferred on them by sections 12(4) and 43(1) 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 (Gold) Order 1977 and shall come into operation on 1st January 1978.

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. Schedule 4 to the Finance Act 1972 as amended(**c**) shall be varied by substituting for Group 12 thereof the following:—

"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.

(**a**) 1972 c. 41. (**b**) 1889 c. 63.
(**c**) The relevant amending instrument is S.I. 1976/128 (1976 I, p. 367).

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.".

T. E. Graham,

David Stoddart,

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

1st November 1977.

EXPLANATORY NOTE

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

This Order limits the supply of gold (including gold coins) at the zero-rate to supplies made between authorised dealers, i.e. members of the London Gold Market, between one Central Bank and another Central Bank, or between authorised dealers and a Central Bank. The zero-rate extends to supplies of gold (including gold coins) made by an authorised dealer to a person overseas acting in his business capacity and by the latter to an authorised dealer, and also to supplies of gold, *excluding* gold coins, by an authorised dealer to a person in a private capacity whose normal place of residence is overseas.

As from the date of the Order gold supplied for manufacture will be subject to tax at a positive rate.

(a) 1947 c. 14.

SI 1977/1789
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