STATUTORY INSTRUMENTS

1977 No. 1786

VALUE ADDED TAX
The Value Added Tax (Higher Rate) Order 1977

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

The Treasury, in exercise of the powers conferred upon them by section 43(1) of the Finance Act 1972(**a**) and section 17(2) of the Finance (No. 2) Act 1975(**b**) 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 (Higher Rate) Order 1977 and shall come into operation on the 1st January 1978.

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

3. Schedule 7 to the Finance (No. 2) Act 1975 as amended(**d**) shall be varied as follows:—

(*a*) In Group 1 the following item shall be added:—

"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.";

(*b*) In Group 2 the following item shall be added:—

"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.",

and in note (5) the words "On and after 1st August 1975 item 1 shall" shall be deleted and there shall be substituted therefor the words "Item 8 does";

(*c*) In Group 3 items 10 and 11 shall be deleted and there shall be substituted therefor the following three items:—

"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.

(**a**) 1972 c. 41. (**b**) 1975 c. 45. (**c**) 1889 c. 63.
(**d**) The amending instruments are S.I. 1976/128, 2027 (1976 I, p. 367; III, p. 5628).

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.";

(*d*) In Group 4 item 6 shall be deleted and there shall be substituted therefor the following two items:—

"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.";

(*e*) In Group 5 the following item shall be added:—

"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.";

(*f*) In Group 6 item 6 shall be deleted and there shall be substituted therefor the following two items:—

"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.";

(*g*) In Group 7 the following item shall be added:—

"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.".

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 varies Schedule 7 to the Finance (No. 2) Act 1975 to take account of technical amendments to the value added tax law made in the Finance Act 1977 (c. 36).

The purpose of the Order is to continue to charge at the higher rate supplies on hire or loan (including applications to personal use) of goods comprised in Schedule 7. The higher rate charge also applies to transfers of part-interests in higher-rated goods.

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