STATUTORY INSTRUMENTS

1972 No. 1170

VALUE ADDED TAX

The Value Added Tax (Treatment of Transactions) (No. 1) Order 1972

Made - - -	1*st August* 1972
Laid before the House of Commons	9*th August* 1972
Coming into Operation	1*st April* 1973

The Treasury, in exercise of the powers conferred on them by section 5(7)(*c*) of the Finance Act 1972(**a**), hereby make the following Order:—

1. This Order may be cited as the Value Added Tax (Treatment of Transactions) (No. 1) Order 1972 and shall come into operation on 1st April 1973.

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 description of transaction shall be treated as neither a supply of goods nor a supply of services—

a gratuitous loan of goods by a taxable person in the normal course of and for the purpose of a business carried on by him.

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

1st August 1972.

EXPLANATORY NOTE

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

This Order removes from the scope of the value added tax any free loan of goods which is made by a taxable person in the ordinary course of a business carried on by him and for the purpose of that business. Any such loan would otherwise be a supply of goods by virtue of section 5(2) of the Finance Act 1972 and would be chargeable with tax unless the supply was zero-rated or exempt.

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

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