STATUTORY INSTRUMENTS

1973 No. 335

VALUE ADDED TAX

The Value Added Tax (Treatment of Transactions) (No. 3) Order 1973

Made - - -	*28th 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 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. 3) Order 1973 and shall come into operation on 1st April 1973.

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

(2) In this Order—

"caravan" shall have the same meaning as in the Value Added Tax (Caravans) Order 1973(**c**);

"motor cycle" shall have the same meaning as in the Value Added Tax (Motor Cycles) Order 1973(**d**);

"finance agreement" means an agreement for the sale of a motor cycle or caravan whereby the property in the motor cycle or caravan is not to be transferred until the whole of the price has been paid and the seller retains the right to repossess the motor cycle or caravan; and

"insurer" means a person authorised under section 61 of the Companies Act 1967(**e**) to effect and carry out contracts of insurance against risks of loss of or damage to motor cycles or caravans.

3. Each of the following descriptions of transaction shall be treated as neither a supply of goods nor a supply of services—

(*a*) the disposal of a motor cycle or caravan by a person who repossessed it under the terms of a finance agreement if it is in the same condition as it was in when repossessed and if a supply of it in the United Kingdom by the person from whom it was repossessed would not have been chargeable with tax or would have been chargeable with tax on less than the full value of such supply;

(*b*) the disposal of a motor cycle or caravan by an insurer who acquired it in the settlement of a claim under a policy of insurance if it is in the same condition as it was in when so acquired and if a supply of it in the United Kingdom by the insured would not have been chargeable

(**a**) 1972 c.41 (**b**) 1889 c.63. (**c**) S.I. 1973/329 (1973 I, p.1140).
(**d**) S.I. 1973/328 (1973 I, p.1138). (**e**) 1967 c.81

with tax or would have been chargeable with tax on less than the full value of such supply.

V. H. Goodhew,
Oscar Murton,
Two of the Lords Commissioners
of Her Majesty's Treasury.

28th February 1973.

EXPLANATORY NOTE

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

This Order removes from the scope of the value added tax disposals by finance houses and insurance companies of certain used motor cycles and certain used caravans. Any such disposals would otherwise be a supply of goods by virtue of section 5(2) of the Finance Act 1972 and would be chargeable with tax even though the goods had previously borne tax.

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