

1999 No. 1642

VALUE ADDED TAX

The Value Added Tax (Abolition of Zero-Rating for Tax-Free Shops) Order 1999

Approved by the House of Commons

Made - - - - 11th June 1999

Laid before the House of Commons 11th June 1999

Coming into force 1st July 1999

The Treasury, in exercise of the powers conferred on them by sections 30(4) and 96(9) of the Value Added Tax Act 1994^(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 (Abolition of Zero-Rating for Tax-Free Shops) Order 1999 and shall come into force on 1st July 1999 and shall have effect in relation to supplies made on or after that date.
2. Schedule 8 to the Value Added Tax Act 1994 shall be varied by deleting from—
 - (a) Part I, the entry relating to tax-free shops, and
 - (b) Part II, Group 14 (tax-free shops)^(b).
3. The Value Added Tax (Tax Free Shops) Order 1995^(c) is hereby revoked.

11th June 1999

Jim Dowd
David Jamieson
Two of the Lords Commissioners of Her
Majesty's Treasury

^(a) 1994 c. 23.
^(b) Group 14 was amended by S.I. 1995/3041.
^(c) S.I. 1995/3041.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order deletes, with effect from 1st July 1999, Group 14 of Schedule 8 to the Value Added Tax Act 1994 (c. 23), which Group zero-rated the sale of specified quantities of goods sold either in a tax-free shop or on board a ship or aircraft, in either case to a traveller making a journey to another member State.

The zero-rating of such supplies was permitted only until 30th June 1999 by Article 28k of Council Directive 77/388/EEC (O.J. L.145, 13.6.1977, p. 1), which was inserted by Council Directive 91/680/EEC (O.J. L.376, 31.12.1991, p. 1) and amended by Council Directive 94/4/EC (O.J. L.60, 3.3.1994, p. 14).

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