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STATUTORY INSTRUMENTS

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**2009 No. 2093**

**VALUE ADDED TAX**

**The Value Added Tax (Emissions Allowances) Order 2009**

<i>Made</i>	- - - -	<i>30th July 2009</i>
<i>Laid before the House of Commons</i>	- - - -	<i>30th July 2009</i>
<i>Coming into force</i>	- -	<i>31st July 2009</i>

The Treasury make the following Order in exercise of the powers conferred by sections 30(4) and 96(9) of the Value Added Tax Act 1994(1).

**Citation, commencement and effect**

1.—(1) This Order may be cited as the Value Added Tax (Emissions Allowances) Order 2009 and comes into force on 31st July 2009.

(2) This Order has effect in relation to supplies made on or after 31st July 2009.

**Amendment of Schedule 8 to the Value Added Tax Act 1994**

2. Schedule 8 to the Value Added Tax Act 1994 (zero-rating) is amended as follows.

3. In Part 1 (index to zero-rated supplies of goods and services) insert at the appropriate place—

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<b>“Emissions allowances</b>	<b>Group 17”.</b>
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4. In Part 2 after Group 16 insert—

**“GROUP 17—EMISSIONS ALLOWANCES**

Item No

1 The supply of an emissions allowance.

NOTES

(1) An “emissions allowance” means—

(a) a Community tradeable emissions allowance,

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(1) 1994 c. 23; section 96(9) was amended by section 99(6) of and paragraph 5 of Schedule 31 to the Finance Act 2001 (c. 9).

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*Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.*

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- (b) a unit issued pursuant to the Kyoto Protocol, or
- (c) any option relating to any such allowance or unit.

(2) “Community tradeable emissions allowance” has the meaning given in section 16(6) of the Finance Act 2007<sup>(2)</sup>.

(3) “The Kyoto Protocol” means the Kyoto Protocol to the United Nations Framework Convention on Climate Change signed at Kyoto on 11th December 1997<sup>(3)</sup>.

(4) “Unit” includes an assigned amount unit, a certified emission reduction, an emission reduction unit and a removal unit.”.

*Steve McCabe*  
*Dave Watts*

Two of the Lords Commissioners of Her  
Majesty’s Treasury

30th July 2009

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(2) 2007 c. 11.

(3) The text of the Kyoto Protocol is available at [www.unfccc.int/kyoto\\_protocol/items/2830.php](http://www.unfccc.int/kyoto_protocol/items/2830.php).

## **EXPLANATORY NOTE**

*(This note is not part of the Order)*

This Order, which comes into force on 31st July 2009, amends Schedule 8 to the Value Added Tax Act 1994 (“Schedule 8”). Part 2 of that Schedule contains the Groups of supplies of goods and services that are subject to the zero rate of VAT and Part 1 contains the Index to those Groups.

Article 4 of the Order adds a new Group 17 “Emissions allowances” to Schedule 8. There is one Item, namely: “the supply of an emissions allowance”. This is defined in Notes 1 to 4 to the Group. The effect is that the supply of an emissions allowance is zero rated.

A full and final impact assessment has not been produced for this instrument as a negligible impact on the private or voluntary sectors is foreseen.