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STATUTORY INSTRUMENTS

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**2009 No. 2972**

**VALUE ADDED TAX**

**The Value Added Tax (Drugs and Medicines) Order 2009**

*Made* - - - - 9th November 2009  
*Laid before the House of*  
*Commons* - - - - 10th November 2009  
*Coming into force* - - 2nd December 2009

The Treasury, in exercise of the powers conferred by sections 30(4) and 96(9) of the Value Added Tax Act 1994<sup>(1)</sup>, make the following Order:

1. This Order may be cited as the Value Added Tax (Drugs and Medicines) Order 2009, and comes into force on 2nd December 2009 and has effect in relation to supplies made on or after that date.

2.—(1) Group 12<sup>(2)</sup> of Schedule 8 to the Value Added Tax Act 1994 (zero-rating: drugs, medicines, aids for the handicapped, etc.) is varied as follows.

3. For items 1 and 1A substitute—

“1. The supply of any qualifying goods dispensed to an individual for that individual’s personal use on the prescription of an appropriate practitioner where the dispensing is—

- (a) by a registered pharmacist, or
- (b) in accordance with a requirement or authorisation under a relevant provision.”

4. In Note (1) omit “or item 1A”.

5. In Note (2A) for “items 1 and 1A” substitute “item 1”.

6. Insert after Note (2A)—

“(2B) In item 1 “appropriate practitioner” means—

- (a) a registered medical practitioner<sup>(3)</sup>;
- (b) a person registered in the dentists’ register under the Dentists Act 1984<sup>(4)</sup>;
- (c) a community practitioner nurse prescriber;
- (d) a nurse independent prescriber;

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(1) 1994 c.23; section 96(9) was extended by section 99(6) of, and paragraph 5 of Schedule 31 to, the Finance Act 2001 (c.9).  
(2) Group 12 was varied by S.I. 1995/652, 1997/2744, 2007/289; there are other amending instruments but none is relevant.  
(3) “registered medical practitioner” is defined in Schedule 1 to the Interpretation Act 1978 (c.30) as amended by S.I. 2002/3135.  
(4) 1984 c.24.

- (e) an optometrist independent prescriber;
- (f) a pharmacist independent prescriber;
- (g) a supplementary prescriber.

For the purposes of this Note “community practitioner nurse prescriber”, “nurse independent prescriber”, “optometrist independent prescriber”, “pharmacist independent prescriber” and “supplementary prescriber” have the meanings given in article 1(2) of the Prescription Only Medicines (Human Use) Order 1997(5).

(2C) In item 1 “registered pharmacist” means a person who is—

- (a) registered in the Register of Pharmacists maintained under the Pharmacists and Pharmacy Technicians Order 2007(6), or
- (b) registered in the register of pharmaceutical chemists kept under the Pharmacy (Northern Ireland) Order 1976(7).

(2D) In item 1 “relevant provision” means—

- (a) article 57 of the Health and Personal Social Services (Northern Ireland) Order 1972(8);
- (b) regulation 20 of the National Health Service (Pharmaceutical Services) Regulations 1992(9);
- (c) regulation 12 of the Pharmaceutical Services Regulations (Northern Ireland) 1997(10);
- (d) paragraph 44 of Schedule 5 to the National Health Service (General Medical Services Contracts) (Scotland) Regulations 2004(11);
- (e) paragraph 15 of Schedule 1 to the National Health Service (Primary Medical Services Section 17C Agreements) (Scotland) Regulations 2004(12);
- (f) paragraphs 47 and 49 of Schedule 6 to the National Health Service (General Medical Services Contracts) Regulations 2004(13);
- (g) paragraph 44 of Schedule 5 to the Health and Personal Social Services (General Medical Services Contracts) Regulations (Northern Ireland) 2004(14);
- (h) paragraphs 46, 48 and 49 of Schedule 5 to the National Health Service (Personal Medical Services Agreements) Regulations 2004(15);
- (i) paragraph 47 of Schedule 6 to the National Health Service (General Medical Services Contracts) (Wales) Regulations 2004(16);
- (j) regulation 60 of the National Health Service (Pharmaceutical Services) Regulations 2005(17).”.

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(5) S.I. 1997/1830 as amended by S.I. 2002/549, 2003/696, 2003/1590, 2004/1771, 2005/765, 2005/1507, 2006/915, 2007/2892007/3101, 2008/1161; there are other amending instruments but none is relevant.

(6) S.I. 2007/289 as amended by S.I. 2007/3101; there is another amending instrument but it is not relevant.

(7) S.I. 1976/1213 (N.I.22) as amended by S.I. 2008/192; there are other amending instruments but none is relevant.

(8) S.I. 1972/1265 (N.I.14) as amended by S.I. 2004/311 (N.I.2).

(9) S.I. 1992/662 as amended by S.I. 2004/1021.

(10) S.R. 1997 No. 381 as amended by S.R. 2001 No. 222, 2005 No. 231; there are other amending instruments but none is relevant.

(11) S.S.I. 2004/115 as amended by S.S.I. 2007/206, 2007/392, 2007/501, 2008/27; there are other amending instruments but none is relevant.

(12) S.S.I. 2004/116 as amended by S.S.I. 2007/205, 2007/393, 2007/502, 2008/27; there are other amending instruments but none is relevant.

(13) S.I. 2004/291 as amended by S.I. 2005/3315; there are other amending instruments but none is relevant.

(14) S.R. 2004 No. 140.

(15) S.I. 2004/627 as amended by S.I. 2005/3315; there are other amending instruments but none is relevant.

(16) S.I. 2004/478 (W. 48).

(17) S.I. 2005/641 as amended by S.I. 2005/1015, 2006/3373.

7. In Note (5) omit “1A.”.

9th November 2009

*Tony Cunningham*  
*Steve McCabe*  
Two of the Lords Commissioners of Her  
Majesty’s Treasury

**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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## EXPLANATORY NOTE

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

This Order which comes into force on 2nd December 2009 varies Group 12 of Schedule 8 (zero-rated supplies of drugs, medicines and aids for the handicapped) to the Value Added Tax Act 1994 (c. 23) (“Group 12”). It modifies and clarifies the scope of Group 12 by (1) applying the zero-rate to the supply of qualifying goods prescribed by health professionals who, in addition to doctors and dentists, are permitted to prescribe medicines that are available only on prescription (‘prescription-only medicines’) and (2) updating the references to the legislative provisions which permit doctors to dispense goods on prescription.

Item 1 of Group 12 zero-rates the supply of qualifying goods (goods designed or adapted for use in connection with any medical or surgical treatment except hearing aids, dentures, spectacles and contact lenses) that are dispensed to an individual for his personal use by a registered pharmacist on the prescription of a doctor or dentist. Item 1A of Group 12 zero-rates the supply of qualifying goods pursuant to various legislative provisions which permit or require doctors to dispense goods on prescription.

The legislation which governs prescription-only medicines has been amended on a number of occasions to extend prescribing rights to health professionals other than doctors and dentists. In addition, the specific provisions referred to in item 1A of Group 12 have been repealed and replaced by new provisions permitting or requiring doctors to dispense goods on prescription.

Articles 3 to 7 of this Order vary Group 12 by substituting a new item 1 for existing items 1 and 1A, inserting Notes (2B) to (2D) and amending Notes (1), (2A) and (5). Item 1, as amplified by Notes (2A) to (2D), zero-rates supplies of qualifying goods which are prescribed by appropriate practitioners and which are dispensed by a pharmacist or pursuant to any of the current legislative provisions which permit doctors to dispense goods on prescription.

An impact assessment has not been prepared for this instrument because no impact on business, charities, voluntary bodies or the public sector is foreseen.