

2020 No. 250

VALUE ADDED TAX

The Value Added Tax (Drugs and Medicines) Order 2020

Made - - - - *9th March 2020*

Laid before the House of Commons *10th March 2020*

Coming into force in accordance with article 1

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

Citation, commencement, effect and revocation

1.—(1) This Order may be cited as the Value Added Tax (Drugs and Medicines) Order 2020 and (subject as follows) comes into force on 1st April 2020.

(2) Article 2—

- (a) comes into force on 1st April 2020, and
- (b) has effect in relation to supplies made on or after 1st April 2020 but before IP completion day(b) (and, accordingly, paragraph (ca) inserted by article 2 is repealed, and article 2 of this Order is revoked, on IP completion day).

(3) Article 3—

- (a) comes into force on IP completion day, and
- (b) has effect in relation to supplies made on or after IP completion day.

Amendment of Group 12 of Schedule 8 to the Value Added Tax Act 1994

2. In Group 12(c) of Schedule 8 to the Value Added Tax Act 1994 (zero-rating: drugs, medicines, aids for the disabled, etc.), in Note (2B), after paragraph (c), insert—

“(ca) an EEA health professional within the meaning given by regulation 213 of the Human Medicines Regulations 2012;”.

3. In Group 12 of Schedule 8 to the Value Added Tax Act 1994 (zero-rating: drugs, medicines, aids for the disabled, etc.), in Note (2B), after paragraph (b), insert—

“(ba) an approved country health professional within the meaning given by regulation 213 of the Human Medicines Regulations 2012;”.

(a) 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).
(b) Section 39(1) of the European Union (Withdrawal Agreement) Act 2020 (c. 1) defines IP completion day as meaning 31 December 2020 at 11.00 pm.
(c) Group 12 was amended by paragraph 7 of Schedule 7 to the Finance Act 2017 (c.10); it was also amended by S.I. 1995/652, 1997/2744, 2007/289, 2009/2972, 2012/1916 and 2014/1111; there are other amending instruments but none is relevant.

*Maggie Throup
Rebecca Harris*

9th March 2020

Two of the Lords Commissioners of Her Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

This Order inserts 'an EEA country health professional' and 'an approved country health professional' into the definition of 'appropriate practitioner' in Note (2B) to item 1 of Group 12 of Schedule 8 to the Value Added Tax Act 1994.

The effect is that supplies by registered pharmacists of items prescribed by appropriately qualified health professionals practising in a country outside the UK as defined by regulation 213 of the Human Medicines Regulations 2012 (S.I. 2012/1916) are subject to a zero-rate of Value Added Tax.

Regulation 213 of the Human Medicines Regulations will be amended on IP completion day by regulation 179 of the Human Medicines (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/775) with the effect that the definition 'an EEA health professional' will be replaced by the definition 'approved country health professional'. Article 1 of this Order accordingly makes provision to ensure that the Value Added Tax Act is amended to reflect the change to the Human Medicines Regulations.

The amendments made to the Human Medicines Regulations on IP completion day will also include the insertion of a new regulation 214(6A) which refers to a list of approved countries and professions for the purpose of the definition of 'approved country health professional'. The list is available at <https://www.gov.uk/guidance/prescriptions-issued-in-the-eea-and-switzerland-guidance-for-pharmacists>. Free of charge hard copies will be available on request from the HMRC helpline on 0300 200 3700 (+44 2920 501 261 for outside the UK enquiries) or by writing to HM Revenue and Customs - VAT Written Enquiries Team, Portcullis House, 21 India Street, Glasgow, G2 4PZ, United Kingdom.

A Tax Information and Impact Note relating to the changes will be published on the HMRC website at <https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins>.

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£4.90

UK202003091020 03/2020 19585

<http://www.legislation.gov.uk/id/uksi/2020/250>

ISBN 978-0-11-119394-5



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