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**1973 No. 2151**

**VALUE ADDED TAX**

**The Value Added Tax (General) (No. 2) Order 1973**

*Made - - - - - 19th December 1973*  
*Laid before the House of Commons 20th December 1973*  
*Coming into Operation 1st March 1974*

The Treasury, in exercise of the powers conferred on them by sections 12(4) and 13(2) of the Finance Act 1972<sup>(a)</sup> hereby make the following Order:—

**1.** This Order may be cited as the Value Added Tax (General) (No. 2) Order 1973 and shall come into operation on 1st March 1974.

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

**(b)** In this Order the words “the Schedule” shall mean in Part I of the Order Schedule 4 to the Finance Act 1972 as amended<sup>(c)</sup> and in Part II of the Order Schedule 5 to the Finance Act 1972 as amended<sup>(d)</sup>.

**PART I**

**3.** The following shall be substituted for Group 2 of the Schedule:—

**“GROUP 2—WATER**

Item No.

1. Water other than distilled water, deionised water and water of similar purity.”.

**4.** Note 1 to Group 8 of the Schedule shall be deleted and there shall be substituted therefor the following:—

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- <sup>(a)</sup> 1972 c. 41. <sup>(b)</sup> 1889 c. 63.  
<sup>(c)</sup> S.I. 1973/324, 385, 386, 387, 595 (1973 I, pp. 1123, 1323, 1325, 1328, 1899).  
<sup>(d)</sup> S.I. 1973/324 (1973 I, p. 1128).

“(1) Item 2 does not include—

- (a) any work of repair or maintenance; or
- (b) the supply of any services to a person who—
  - (i) himself supplies such services as are mentioned therein; or
  - (ii) in the course of a business consisting wholly or mainly in the construction, alteration or demolition of buildings or civil engineering works, carries out the construction, alteration or demolition on land in which he owns a major interest; or
- (c) the supply of any services in the course of the construction or alteration of any civil engineering work within the grounds or garden of a building used or to be used wholly or mainly as a private residence; or
- (d) the supply by a person of any services which consist of or include any services supplied to him by some other person otherwise than in the course of a business carried on by that other person.”.

5. Group 9 of the Schedule shall be amended as follows:—

(a) item 6 shall be deleted and there shall be substituted therefor the following:—

“6. The supply to an overseas trader or overseas resident of any services not used by a person present in the United Kingdom and not included in items 1 to 5 of this Group nor in any Group in Schedule 5 to this Act.”;

(b) item 8 shall be deleted and there shall be substituted therefor the following:—

“8. The supply to an overseas trader—

(a) of services consisting of the storage at or transport to or from a port or customs airport (within the meanings of the Customs and Excise Act 1952(a)) of goods which respectively are to be exported or have been imported or of the handling or storage of such goods in connection with such transport; or

(b) of services comprised in paragraph (a) of item 6, item 9 and paragraph (a) of item 10 of Group 10 of this Schedule.”;

(c) the following note shall be added to the Notes to the Group:—

“(6) Item 6 does not include the supply of any services in connection with the care, management, repair or maintenance of a building or parts of a building in the United Kingdom.”.

6. Group 10 of the Schedule shall be amended as follows:—

(a) in paragraph (a) of item 2 for the words “eighteen thousand pounds” there shall be substituted “8000 kilogrammes”;

(b) item 6 shall be deleted and there shall be substituted therefor the following:—

“6. Any services provided for—

(a) the handling of ships or aircraft in a port or customs airport; or

- (b) the handling, in a port or customs airport or on land adjacent to a port, of goods carried in a ship or aircraft.”;
- (c) item 10 of the Group shall be deleted and there shall be substituted therefor the following:—
- “10. The making of arrangements for—
- (a) the supply of, or of space in, any ship or aircraft; or
- (b) the supply of any service included in items 1 to 9.”;
- (d) the following note shall be added to the Notes to the Group:—
- “(5) For the purposes of this Group paragraph (a) of item 6, item 9 and paragraph (a) of item 10 do not include the supply of any services where the ships or aircraft referred to therein are of the descriptions specified in paragraphs (a) and (b) of item 1 or in paragraphs (a) and (b) of item 2 respectively.”.

7. The following shall be substituted for Group 11 of the Schedule:—

“GROUP 11—CARAVANS AND HOUSEBOATS

Item No.

1. Caravans exceeding the limits of size for the time being permitted for the use on roads of a trailer drawn by a motor vehicle having an unladen weight of less than 2030 kilogrammes.
2. Houseboats being boats or other floating decked structures designed or adapted for use solely as places of permanent habitation and not having means of, or capable of being readily adapted for, self-propulsion.

Note: Items 1 and 2 do not include—

- (a) removable contents other than goods of a kind mentioned in item 3 of Group 8; or
- (b) the supply of holiday accommodation including any accommodation advertised or held out as such.”.

PART II

8. Group 1 of the Schedule shall be amended as follows:—

- (a) in paragraph (a) of item 1 the words “flat or caravan” shall be deleted and there shall be substituted therefor the words “flat, caravan or houseboat;”;
- (b) in paragraph (e) of item 1 the word “timber.” shall be deleted and there shall be substituted therefor the words “timber; and
- (f) the granting of facilities for housing, or storage of, an aircraft or for mooring, or storage of, a ship, boat or vessel.”
- and accordingly at the end of paragraph (d) thereof the word “and” shall be deleted;

(c) the Note to the Group shall be deleted and there shall be substituted there for the following:—

“Notes:

(1) “Holiday accommodation” includes any accommodation advertised or held out as such.

(2) “Houseboat” includes a houseboat within the meaning of Group 11 of Schedule 4.

(3) “Mooring” includes anchoring or berthing.”.

9. The following note shall be added to the Notes to Group 6 of the Schedule:—

“(4) Items 2 and 3 apply only where the goods, services or instruction are supplied by the provider of the education specified in item 1.”.

*Michael Jopling,*

*Hamish Gray,*

Two of the Lords Commissioners  
of Her Majesty's Treasury.

19th December 1973.

## EXPLANATORY NOTE

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

This Order further amends several of the descriptions of supplies which are zero-rated or exempt from value added tax under Schedules 4 and 5 to the Finance Act 1972. In particular the Order:—

- (1) removes from Group 2 a redundant reference to mineral waters;
- (2) excludes from the zero-rate under Group 8, item 2, firstly the supply of civil engineering works in the grounds or gardens of private residences; and secondly supplies by persons of services supplied to them by other persons when the latter do not make their supplies in the course of a business;
- (3) zero-rates supplies to overseas traders and overseas residents of most services not exempt from value added tax, provided they are not used by a person present in the United Kingdom;
- (4) applies the standard rate of value added tax (except for supplies to overseas traders) to mooring rights, aircraft hangarage and certain handling, surveying and brokerage services when supplied to small ships and aircraft and pleasure ships and aircraft and to all supplies of mooring rights and aircraft hangarage outside customs ports and airports; and metricates (and reduces marginally) the weight limit above which certain aircraft are zero-rated;
- (5) zero-rates certain residential houseboats except when supplied for holiday accommodation and metricates the weight limit relating to towing vehicles in the definition of zero-rated caravans; and
- (6) restricts to the supplies made by the providers of exempt education the exemptions from value added tax for the supply of any goods or services incidental to the provision of such education and for the provision of instruction supplemental to the provision of such education.

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