
 STATUTORY INSTRUMENTS

1977 No. 1797

VALUE ADDED TAX

The Value Added Tax (Finance) Order 1977*Made* - - - - 1st November 1977*Laid before the House
of Commons* - - - 10th November 1977*Coming into Operation* 1st January 1978

The Treasury, in exercise of the powers conferred on them by sections 13(2) and 43(1) of the Finance Act 1972(a), as amended by the Finance Act 1977(b), 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 (Finance) Order 1977 and shall come into operation on the 1st January 1978.

2. The Interpretation Act 1889(c) shall apply for the interpretation of this Order as it applies for the interpretation of an Act of Parliament.

3. Group 5 of Schedule 5 to the Finance Act 1972 as amended(d) shall be varied as follows:—

(a) Item 2 shall be deleted and there shall be substituted therefor the following:—

“2. (a) The making of any advance or the granting of any credit.

(b) The provision of the facility of instalment credit finance in a hire-purchase agreement for which facility a separate charge is made and disclosed to the recipient of the supply of goods.”;

(b) The note shall be deleted and there shall be substituted therefor the following:—

“Notes

(1) Item 1 does not include anything included in item 4.

(2) This Group does not include the supply of a coin (other than a gold coin which is legal tender in its place of issue) or a banknote as a collector’s piece or as an investment article.

(a) 1972 c. 41.

(b) 1977 c. 36.

(c) 1889 c. 63.

(d) The relevant amending instrument is S.I. 1976/128 (1976 I, p. 367).

- (3) Item 2(a) includes the supply of credit by a person, in connection with a supply of goods or services by him, for which a separate charge is made and disclosed to the recipient of the supply of goods or services.”

T. E. Graham,

David Stoddart,

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

1st November 1977.

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order exempts the supply of all forms of credit, including credit associated with the supply of goods or services, provided that a separate charge for the credit is made and disclosed to the purchaser of the goods or services concerned. Additionally the Order removes from the exemption the supply of any bank note or coin, other than a gold coin, e.g. a gold sovereign, which although legal tender in the country of issue is supplied as a collectors' item or as an investment article; when so supplied a bank note or coin (other than a gold coin) is taxable at a positive rate.

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