

1990 No. 752

VALUE ADDED TAX

The Value Added Tax (Transport) Order 1990

Approved by the House of Commons

Made - - - - - 26th March 1990

Laid before the House of Commons 28th March 1990

Coming into force 1st May 1990

The Treasury, in exercise of the powers conferred on them by sections 16(4) and 48(6) of the Value Added Tax Act 1983(a) 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 (Transport) Order 1990 and shall come into force on 1st May 1990.
2. Group 10 (transport) of Schedule 5 to the Value Added Tax Act 1983(b) shall be varied in accordance with the following articles of this Order.
3. In item 3—
 - (a) in paragraph (a) for the words “the Royal National Lifeboat Institution” there shall be substituted the words “a charity providing rescue or assistance at sea”;
 - (b) for paragraph (b) there shall be substituted the following paragraph:

“(b) the construction, modification, repair or maintenance for a charity providing rescue or assistance at sea of slipways used solely for the launching and recovery of lifeboats.”.
4. In item 4—
 - (a) in paragraph (b) the word “or” shall be deleted; and
 - (b) at the end of paragraph (c) there shall be added the word “; or” and the following paragraph:

“(d) from a place within to a place outside the United Kingdom or vice versa, to the extent that those services are supplied in the United Kingdom.”.
5. In item 5 the words “passengers or” shall be deleted.
6. In item 6—
 - (a) in paragraph (a) for the words “or customs and excise airport” there shall be substituted the words “, customs and excise airport or outside the United Kingdom”;
 - (b) in paragraph (b) after the word “handling” there shall be added the words “or storage”.
7. In item 9 the words “within or outside the United Kingdom” shall be deleted.
8. In item 11 the words “or passengers” shall be deleted.

(a) 1983 c.55.

(b) A relevant variation of Group 10 was made by S.I. 1984/631.

9. For Note (1) there shall be substituted the following Note:

“(1) In items 1 and 2 the supply of a ship or, as the case may be, aircraft includes the supply of services under a charter of that ship or aircraft except where the services supplied under such a charter consist wholly of any one or more of the following:

- (a) transport of passengers,
- (b) accommodation,
- (c) entertainment,
- (d) education,

being services wholly performed in the United Kingdom.”.

10. After Note (2) there shall be inserted the following Note:

“(2A) Item 3 shall not apply unless, before the supply is made, the recipient of the supply gives to the person making the supply a certificate stating:

- (a) the name and address of the recipient,
- (b) that the supply is of a description specified in item 3 of this Group.”.

11. For Note (3) there shall be substituted the following Note:

“(3) “Lifeboat” means any vessel used or to be used solely for rescue or assistance at sea.”.

David Lightbown
Kenneth Carlisle

26th March 1990

Two of the Lords Commissioners of Her Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

This Order varies, with effect from 1st May 1990, items 3, 4, 5, 6, 9 and 11 of and Notes (1) and (3) to Group 10 of Schedule 5 to the Value Added Tax Act 1983 (c.55). It also adds a new Note (2A) to that Group.

Article 3 of the Order extends item 3 so that supplies of the kind described in that item made to any charity providing rescue or assistance at sea are zero-rated. The article also extends zero-rating to the construction for such a charity of slipways for the launching and recovery of lifeboats.

Articles 4 and 5 amend items 4 and 5 so that item 4 deals wholly with passenger transport and item 5 deals wholly with freight transport. Supplies of passenger transport services performed outside the United Kingdom have been deleted from item 5 since, by virtue of article 3(a) of the Value Added Tax (Tour Operators) (Amendment) Order 1990 (S.I. 1990/751), such supplies fall outside the scope of United Kingdom VAT.

Article 6 extends zero-rating to handling services for ships or aircraft outside the United Kingdom and to the storage of ship or aircraft cargo at United Kingdom ports or airports.

Article 7 deletes words which are otiose.

Article 8 removes zero-rating for services ancillary to passenger transport outside the United Kingdom. Such services are by virtue of article 3(a) of the Value Added Tax (Tour Operators) (Amendment) Order 1990 outside the scope of the tax.

Article 9 excludes from items 1 and 2 certain supplies constituting services under a charter of a ship or aircraft. Passenger transport services within the United Kingdom which are thus excluded from items 1 and 2 and which are services of a description included in item 4 of this Group are, in any case, zero-rated under that item.

Article 10 requires that, for lifeboats and launching and recovery equipment to be zero-rated under item 3, the supplier must obtain from the recipient a declaration that the supplies are of a description in item 3 and are being made to a charity providing rescue or assistance at sea.

Article 11 varies the definition of lifeboat in Note (3).