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STATUTORY INSTRUMENTS

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**1992 No. 3283**

**VALUE ADDED TAX**

**The Value Added Tax (Place of Supply of Goods) Order 1992**

*Made* - - - - 23rd December 1992  
*Laid before the House of*  
*Commons* - - - - 23rd December 1992  
*Coming into force* - - 1st January 1993

The Treasury, in exercise of the powers conferred on them by section 6(6) of the Value Added Tax Act 1983(1) and all other powers enabling them in that behalf, hereby makes the following Order:

1. This Order may be cited as the Value Added Tax (Place of Supply of Goods) Order 1992 and shall come into force on 1st January 1993.

2. The rules for determining where a supply of goods is made shall be varied in accordance with the following provisions of this Order.

3. In this Order—

“Community transport” means the transportation of passengers between the point of departure and the point of arrival in the course of which—

- (a) there is a stop in a member State other than that in which lies the point of departure; and
- (b) there is no stop in a country which is not a member State;

“homeward stage” means that part of the return trip which ends at the first stop in the country in which the return trip commenced and which involves only such other stops, if any, as are in member States where there have previously been stops (in the course of that return trip);

“pleasure cruise” includes a cruise wholly or partly for the purposes of education or training;

“point or arrival” means the last place in the member States where it is expected that passengers who have commenced their journey at a place in a member State will terminate their journey or, where there is to follow a leg which will involve a stop in a place outside the member States, the last such place before such leg is undertaken;

“point or departure” means the first place in the member States where it is expected that passengers will commence their journey or, where there has been a leg which involved a stop in a place outside the member States, the first such place after such leg has been completed;

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(1) 1983 c. 55; section 6(6) was amended by section 14(2) of and paragraph 7(6) of Schedule 3 to the Finance (No. 2) Act 1992 (c. 48).

“return trip” means any journey involving two or more countries where it is expected that the means of transport will stop in the country from which it originally departed.

4. Subject to the following provisions of this Order, where goods are supplied on board a ship, aircraft or train in the course of a Community transport, those goods shall be treated as supplied at the point of departure.

5. Subject to the following provisions of this Order, any goods supplied on board a ship or aircraft in the course of a Community transport, for consumption on board shall be treated as supplied outside the member States.

6. For the purposes of this Order—

- (a) part of transportation where it is expected that a different means of transport will be used shall be treated as separate transportation; and
- (b) the homeward stage of a return trip shall be treated as separate transportation.

7. This Order shall not apply to any goods supplied as part of a pleasure cruise.

*Norman Lamont*

*Tim Wood*

Two of the Lords Commissioners of Her Majesty's Treasury

23rd December 1992

## EXPLANATORY NOTE

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

This Order, which comes into force on 1st January 1993, implements Article 8(1)(c) of EC Directive [77/388/EEC](#) (OJNo. L145, 13.6.77, p.1) as amended by EC Directive [91/680/EEC](#) (OJ No. L376, 31.12.91, p.1). It is part of the package of new measures necessary as a result of the abolition of fiscal frontiers between EC member States from that date.

The Order applies to goods supplied on board ships, aircraft and trains engaged in the intra-Community transportation of passengers and provides for the place of supply of those goods to be the member State in which the transportation commenced. However, goods supplied for consumption on board ships and aircraft are treated as supplied outside the Community.