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STATUTORY INSTRUMENTS

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**1996 No. 1256**

**VALUE ADDED TAX**

**The Value Added Tax (Cultural Services) Order 1996**

<i>Made</i>	- - - -	<i>8th May 1996</i>
<i>Laid before the House of Commons</i>	- - - -	<i>9th May 1996</i>
<i>Coming into force</i>	- -	<i>1st June 1996</i>

The Treasury, in exercise of the powers conferred on them by sections 31(2) and 96(9) of the Value Added Tax Act 1994<sup>(1)</sup> 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 (Cultural Services) Order 1996 and shall come into force on 1st June 1996.
2. Schedule 9 to the Value Added Tax Act 1994 shall be varied by—
  - (a) substituting for Note (3) of Group 12—

“(3) For the purposes of item 2 “qualifying body” means—

    - (a) any non-profit making body whose objects are of any description mentioned in section 94(3);
    - (b) any non-profit making organisation mentioned in item 1 of Group 9;
    - (c) any non-profit making body whose principal purpose is the provision of facilities for persons to take part in sport or physical education; or
    - (d) any body which is an eligible body for the purposes of item 2 of Group 13.”; and
  - (b) adding after Group 12 the following—

“GROUP 13—

CULTURAL SERVICES ETC

**Item No.**

1. The supply by a public body of a right of admission to—
  - (a) a museum, gallery, art exhibition or zoo; or

- (b) a theatrical, musical or choreographic performance of a cultural nature.
- 2. The supply by an eligible body of a right of admission to—
  - (a) a museum, gallery, art exhibition or zoo; or
  - (b) a theatrical, musical or choreographic performance of a cultural nature.

Notes:

- (1) For the purposes of this Group “public body” means—
  - (a) a local authority;
  - (b) a government department within the meaning of section 41(6); or
  - (c) a non-departmental public body which is listed in the 1995 edition of the publication prepared by the Office of Public Service and known as “Public Bodies”.
- (2) For the purposes of item 2 “eligible body” means any body (other than a public body) which—
  - (a) is precluded from distributing, and does not distribute, any profit it makes;
  - (b) applies any profits made from supplies of a description falling within item 2 to the continuance or improvement of the facilities made available by means of the supplies; and
  - (c) is managed and administered on a voluntary basis by persons who have no direct or indirect financial interest in its activities.
- (3) Item 1 does not include any supply the exemption of which would be likely to create distortions of competition such as to place a commercial enterprise carried on by a taxable person at a disadvantage.
- (4) Item 1(b) includes the supply of a right of admission to a performance only if the performance is provided exclusively by one or more public bodies, one or more eligible bodies or any combination of public bodies and eligible bodies.”.

*Simon Burns*  
*Liam Fox*

Two of the Lords Commissioners of Her  
Majesty’s Treasury

8th May 1996

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## EXPLANATORY NOTE

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

This Order, with effect from 1st June 1996, introduces a new Group 13 into Schedule 9 to the Value Added Tax Act 1994 which exempts from value added tax admission charges to certain cultural activities. This implements Article 13A(1)(n) of EC Directive [77/388/EEC](#) (OJ L145, 13.6.77, p.1) (“the Sixth VAT Directive”).

The exemption granted by item 1 of Group 13 applies to admission charges to cultural activities made by public bodies provided that exemption is not likely to put commercial enterprises at a competitive disadvantage. Note (3) implements the fourth indent of Article 13A(2)(a) of the Sixth VAT Directive, as permitted by the second sub-paragraph of paragraph 1 of Article 1 of EC Directive [89/465/EEC](#) (OJ L226, 3.8.1989, p.21) (“the Eighteenth VAT Directive”). Note (1) to the Order defines a public body for the purposes of the Group.

Item 2 exempts admission charges to cultural activities made by certain other bodies (“eligible bodies”). Eligible bodies, by virtue of Note (2) to the Group, are bodies which cannot and do not distribute any profit they make, and use any profit made from admission charges to continue or improve the facilities to which admission is given. Such bodies must also be managed, or administered, by persons who have no financial interest in the bodies’ activities.

Note (4) to the Group limits the exemption to performances put on by public and eligible bodies, mentioned in item 1(b).

The Order also amends Group 12 of Schedule 9 to the Value Added Tax Act 1994 by extending the exemption for fund-raising to eligible bodies. This implements Article 13A(1)(o) of the Sixth VAT Directive insofar as that provision relates to exemptions under Article 13A(1)(n).

Copies of the document “Public Bodies” referred to in Note (1) to the new Group 13 may be obtained from HMSO Publications Centre, PO Box 276, London, SW8 5DT.