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STATUTORY INSTRUMENTS

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**1999 No. 1642**

**VALUE ADDED TAX**

**The Value Added Tax (Abolition of Zero-Rating for Tax-Free Shops) Order 1999**

<i>Made</i>	- - - -	<i>11th June 1999</i>
<i>Laid before the House of Commons</i>	- - - -	<i>11th June 1999</i>
<i>Coming into force</i>	- -	<i>1st July 1999</i>

The Treasury, in exercise of the powers conferred on them by sections 30(4) 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 (Abolition of Zero-Rating for Tax-Free Shops) Order 1999 and shall come into force on 1st July 1999 and shall have effect in relation to supplies made on or after that date.
2. Schedule 8 to the Value Added Tax Act 1994 shall be varied by deleting from—
  - (a) Part I, the entry relating to tax-free shops, and
  - (b) Part II, Group 14 (tax-free shops)<sup>(2)</sup>.
3. The Value Added Tax (Tax Free Shops) Order 1995<sup>(3)</sup> is hereby revoked.

11th June 1999

*Jim Dowd*  
*David Jamieson*  
Two of the Lords Commissioners of Her Majesty's Treasury

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(1) 1994 c. 23.  
(2) Group 14 was amended by S.I.1995/3041.  
(3) S.I. 1995/3041.

**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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## EXPLANATORY NOTE

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

This Order deletes, with effect from 1st July 1999, Group 14 of Schedule 8 to the Value Added Tax Act 1994 (c. 23), which Group zero-rated the sale of specified quantities of goods sold either in a tax-free shop or on board a ship or aircraft, in either case to a traveller making a journey to another member State.

The zero-rating of such supplies was permitted only until 30th June 1999 by Article 28k of Council Directive 77/388/EEC (O.J. L.145, 13.6.1977, p. 1), which was inserted by Council Directive 91/680/EEC (O.J. L.376, 31.12.1991, p. 1) and amended by Council Directive 94/4/EC (O.J. L.60, 3.3.1994, p. 14).