



Finance Act 2003

2003 CHAPTER 14

PART 2

VALUE ADDED TAX

21 Business gifts

- (1) In Schedule 4 to the Value Added Tax Act 1994 (matters to be treated as supply of goods or services), paragraph 5 (business gifts etc) is amended as follows.
- (2) In sub-paragraph (2) (cases where sub-paragraph (1) does not apply), for paragraph (a) substitute—
 - “(a) a business gift the cost of which, together with the cost of any other business gifts made to the same person in the same year, was not more than £50.”.
- (3) After that sub-paragraph insert—
 - “(2ZA) In sub-paragraph (2) above—
 - “business gift” means a gift of goods that is made in the course or furtherance of the business in question;
 - “cost”, in relation to a gift of goods, means the cost to the donor of acquiring or, as the case may be, producing the goods;
 - “the same year”, in relation to a gift, means any period of twelve months that includes the day on which the gift is made.”.
- (4) This section applies in relation to gifts made on or after 1st October 2003.