

2000 No. 2954

VALUE ADDED TAX

The Value Added Tax (Reduced Rate) Order 2000

Approved by the House of Commons

Made - - - - - 2nd November 2000

*Laid before the House of
Commons - - - - - 2nd November 2000*

Coming into force - - - - - 1st January 2001

The Treasury, in exercise of the powers conferred on them by section 2(1C) of the Value Added Tax Act 1994(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 (Reduced Rate) Order 2000, shall come into force on 1st January 2001 and shall have effect in relation to supplies made on or after that date.

2. Schedule A1 (Charge at Reduced Rate) to the Value Added Tax Act 1994(b) shall be amended in accordance with articles 3 and 4 below.

3. In paragraph 1 (supplies benefiting from the reduced rate), after sub-paragraph (3) there is inserted—

“(4) The supplies falling within this paragraph also include supplies of women’s sanitary protection products.”.

4. After paragraph 5 there is inserted—

“6.—(1) In paragraph 1(4) above “women’s sanitary protection products” means women’s sanitary protection products of any of the following descriptions—

- (a) subject to sub-paragraph (2) below, products that are designed, and marketed, as being solely for use for absorbing, or otherwise collecting, lochia or menstrual flow;
- (b) panty liners, other than panty liners that are designed as being primarily for use as incontinence products;
- (c) sanitary belts.

(2) Sub-paragraph (1)(a) above does not include protective briefs or any other item of clothing.”.

*Clive Betts
Jim Dowd*

2nd November 2000

Two of the Lords Commissioners of Her Majesty’s Treasury

(a) 1994 c. 23; subsection (1C) was inserted by section 21(2) of the Finance Act 1995 (c. 4).

(b) 1994 c. 23; Schedule A1 was inserted by section 21(3) and (6) of the Finance Act 1995 (c. 4) and was amended by S.I. 1998/1375 and Schedule 35 to the Finance Act 2000 (c. 17).

EXPLANATORY NOTE

(This note is not part of the Order)

This Order, which comes into force on 1st January 2001, amends Schedule A1 (Charge at Reduced Rate) (“the Schedule”) to the Value Added Tax Act 1994.

Article 12(3)(a) of, and category 3 of Annex H to, Council Directive 77/388/EEC (OJ L145, 17.5.1977, p1) as replaced and added respectively by Article 1 of Council Directive 96/95/EC (OJ L338, 28.12.1996, p89) and Article 1(5) of Council Directive 92/77/EEC (OJ L316, 31.10.1992, p1) permits member States to apply a reduced rate of VAT to supplies of sanitary protection products.

Article 3 of the Order inserts a new sub-paragraph (4) to paragraph 1 of the Schedule to add women’s sanitary protection products to the supplies that are mentioned in that paragraph. As a result, supplies of those products (and equivalent acquisitions and importations) will become subject to the reduced VAT rate (currently 5%, as compared with the current standard VAT rate of 17.5%).

Article 4 inserts a new paragraph 6 in the Schedule to define “women’s sanitary protection products” for the purposes of the new paragraph 1(4). Products designed as being solely for use in absorbing or collecting discharge from the womb after childbirth (lochia), or menstrual flow, are included if they are marketed as being solely for such use. Sanitary belts and panty liners (except those designed primarily as incontinence products) are also included. However, items of clothing are excluded.

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