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## STATUTORY INSTRUMENTS

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**2020 No. 728**

# VALUE ADDED TAX

## The Value Added Tax (Reduced Rate) (Hospitality and Tourism) (Coronavirus) Order 2020

<i>Made</i>	- - - -	<i>13th July 2020</i>
<i>Laid before the House of Commons</i>	- - - -	<i>14th July 2020</i>
<i>Coming into force</i>	- -	<i>15th July 2020</i>

The Treasury make the provisions in articles 1 to 4 of this Order in exercise of the powers conferred by sections 29A(3) and (4) and 96(9) of the Value Added Tax Act 1994 <sup>M1</sup>.

The Commissioners for Her Majesty's Revenue and Customs make the provisions in articles 1, 5 and 6 of this Order in exercise of the powers conferred by section 26B of the Value Added Tax Act 1994 <sup>M2</sup>.

### Marginal Citations

- M1** 1994 c. 23. Section 29A was inserted by section 99(4) of the [Finance Act 2001 \(c. 9\)](#); [section 96\(9\)](#) was amended by section 99(6) of, and paragraph 5 of Schedule 31 to, the Finance Act 2001.
- M2** [Section 26B](#) was inserted by section 23(1) and (4) of the [Finance Act 2002 \(c. 23\)](#).

### Citation and commencement

**1.** This Order may be cited as the Value Added Tax (Reduced Rate) (Hospitality and Tourism) (Coronavirus) Order 2020 and comes into force on 15th July 2020.

### Commencement Information

- I1** Art. 1 in force at 15.7.2020, see art. 1

### Modifications of Schedule 7A to the Value Added Tax Act 1994

**2.** The following modifications of Schedule 7A to the Value Added Tax Act 1994 (charge at reduced rate) <sup>M3</sup> have effect in relation to the period beginning with 15th July 2020 and ending with [<sup>F1</sup>30th September 2021].

**Changes to legislation:** There are currently no known outstanding effects for the The Value Added Tax (Reduced Rate) (Hospitality and Tourism) (Coronavirus) Order 2020. (See end of Document for details)

#### Textual Amendments

**F1** Words in [art. 2](#) substituted (10.6.2021) by [Finance Act 2021 \(c. 26\), s. 92](#)

#### Commencement Information

**I2** Art. 2 in force at 15.7.2020, see [art. 1](#)

#### Marginal Citations

**M3** Schedule 7A was inserted by section 99(5) of, and paragraph 1 of Schedule 31 to, the Finance Act 2001. There are amendments to Schedule 7A but none are relevant to this Order.

3. Part 1 (index to reduced-rate supplies of goods and services) has effect as if, at the appropriate places, there were inserted—

“Course of catering	Group 14
Holiday accommodation etc	Group 15
Shows and certain other attractions	Group 16”

#### Commencement Information

**I3** [Art. 3](#) in force at 15.7.2020, see [art. 1](#)

4. Part 2 (the groups) has effect as if, at the end, there were inserted—

#### “GROUP 14 - COURSE OF CATERING

Item No1 Supplies in the course of catering of—

- (a) any food or drink for consumption on the premises on which it is supplied, or
- (b) any hot food or hot drink for consumption off those premises,

except supplies of alcoholic beverages. NOTES

(1) Note (3A) to Group 1 (Food) of Schedule 8 applies in relation to this Group as it applies in relation to Note (3) in that Group.

(2) Notes (3B) to (3D) to Group 1 (Food) of Schedule 8 <sup>M4</sup> apply in relation to this Group as they apply in relation to that Group.

(3) “Alcoholic beverage” means a beverage within Item 3 in the list of excepted items in Group 1 of Schedule 8.

#### GROUP 15 - HOLIDAY ACCOMMODATION ETC

Item No1 Any supply which, because it falls within paragraph (d), (e) so far as the supply consists of the grant of a licence to occupy holiday accommodation <sup>M5</sup>, (f) or (g) of Item 1 in Group 1 (Land) of Schedule 9 <sup>M6</sup>, is not an exempt supply by virtue of that Item.

#### GROUP 16 - SHOWS AND CERTAIN OTHER ATTRACTIONS

Item No1 Supplies of a right of admission to shows, theatres, circuses, fairs, amusement parks, concerts, museums, zoos, cinemas and exhibitions and similar cultural events and facilities but excluding any supplies that are exempt supplies by virtue of Items 1 or 2 in Group 13 of Schedule 9 <sup>M7</sup>.”

#### Commencement Information

**I4** [Art. 4](#) in force at 15.7.2020, see [art. 1](#)

#### Marginal Citations

- M4** Notes (3A) to (3D) to Group 1 of Schedule 8 were inserted by section 196 of, and paragraphs 1 and 2 of Schedule 26 to, the [Finance Act 2012](#) (c. 14).
- M5** “Holiday accommodation” is defined in Note (13) to Group 1 of Schedule 9.
- M6** Group 1 of Schedule 9 was amended by [S.I. 1995/282](#), 2012/58, and section 196 of, and paragraph 5 of Schedule 26 to, the Finance Act 2012; there are prospective amendments but none are relevant.
- M7** Group 13 of Schedule 9 was inserted by [S.I. 1996/1256](#).

### Modifications of regulation 55K of the Value Added Tax Regulations 1995

5. The following modifications of regulation 55K of the Value Added Tax Regulations 1995 <sup>M8</sup> (flat-rate scheme for small businesses: category of business) have effect in relation to the period beginning with 15th July 2020 and ending with [<sup>F2</sup>30th September 2021].

#### Textual Amendments

**F2** Words in [art. 5](#) substituted (10.6.2021) by [Finance Act 2021](#) (c. 26), [s. 92](#)

#### Commencement Information

**I5** [Art. 5](#) in force at 15.7.2020, see [art. 1](#)

#### Marginal Citations

**M8** [S.I. 1995/2518](#); amended by [S.I. 2002/1142](#), 2003/1069, 2003/3220, 2007/1418, 2009/586, 2010/2240, 2010/2940, and 2017/295; there are other amending instruments but none are relevant.

6. The Table has effect as if, in the second column—

- (a) in the entry for “Catering services including restaurants and takeaways”, for “12.5” there were substituted “ 4.5 ”;
- (b) in the entry for “Hotel or accommodation”, for “10.5” there were substituted “ 0 ”;
- (c) in the entry for “Pubs”, for “6.5” there were substituted “ 1 ”.

#### Commencement Information

**I6** [Art. 6](#) in force at 15.7.2020, see [art. 1](#)

*David Rutley*  
*James Morris*  
Two of the Lords Commissioners of Her  
Majesty's Treasury

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**Changes to legislation:** There are currently no known outstanding effects for the The Value Added Tax  
(Reduced Rate) (Hospitality and Tourism) (Coronavirus) Order 2020. (See end of Document for details)

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*Melissa Tatton*

*Ruth Stanier*

Two of the Commissioners for Her Majesty's  
Revenue and Customs

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## EXPLANATORY NOTE

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

This Order modifies Schedule 7A to the Value Added Tax Act 1994 (charge at reduced rate) (“Schedule 7A”) by inserting new Groups to provide for a temporary reduced rate for certain supplies in the course of catering, holiday accommodation and admission to shows and other attractions.

It also makes temporary consequential changes to the percentages in the Table setting out the percentage rates for the various categories of business entitled to use the flat-rate scheme for small businesses in regulation 55K of the Value Added Tax Regulations 1995 (S.I. 1995/2518) to reflect the temporary reduced rate.

The relief is introduced in response to the coronavirus health emergency by way of time-limited modifications. The relief and the consequential changes to the flat-rate scheme both have effect for the period from 15th July 2020 to 12th January 2021.

A Tax Information and Impact Note covering this instrument will be published on the website at <https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins>.

**Changes to legislation:**

There are currently no known outstanding effects for the The Value Added Tax (Reduced Rate) (Hospitality and Tourism) (Coronavirus) Order 2020.