

*Order made by the Treasury, laid before the House of Commons under section 45(3) and (4) of the Value Added Tax Act 1983 for approval by a resolution of that House within twenty-eight days beginning with the day on which the Order was made subject to extension for periods of dissolution, prorogation or adjournment for more than four days.*

---

STATUTORY INSTRUMENTS

---

**1988 No. 1124**

**VALUE ADDED TAX**

**The Value Added Tax (Special Provisions) (Amendment) Order 1988**

<i>Made</i>	- - - -	<i>28th June 1988</i>
<i>Laid before the House of Commons</i>	- - - -	<i>29th June 1988</i>
<i>Coming into force</i>	- -	<i>1st August 1988</i>

The Treasury, in exercise of the powers conferred on them by section 14(10) of the Value Added Tax Act 1983<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 (Special Provisions) (Amendment) Order 1988 and shall come into force on 1st August 1988.
2. The Value Added Tax (Special Provisions) Order 1981<sup>(2)</sup> shall be amended as follows—
  - (a) in article 2 the definition of “overseas customer” shall be deleted;
  - (b) in article 9, for paragraph (1) there shall be substituted the following—

“(1) Input tax on the supply to a taxable person of goods or services used or to be used by him for the purpose of business entertainment shall be excluded from any credit under sections 14 and 15 of the Value Added Tax Act 1983.”<sup>(3)</sup>

---

<sup>(1)</sup> 1983 c. 55.

<sup>(2)</sup> S.I.1981/1741, to which there are amendments not relevant to this Order.

<sup>(3)</sup> 1983 c. 55; sections 14 and 15 were amended by sections 11(1) and 12(1) respectively of the Finance Act 1987 (c. 16).

---

**Status:** This is the original version (as it was originally made).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

---

28th June 1988

*Michael Neubert*  
*Peter Lloyd*  
Two of the Lords Commissioners of Her  
Majesty's Treasury

---

## EXPLANATORY NOTE

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

This Order disallows the deduction of input tax on the purchase of goods or services used or to be used for business entertainment.

The Order amends the Value Added Tax (Special Provisions) Order 1981 which disallows the deduction of input tax on the purchase of goods or services used or to be used for business entertainment other than that incurred in respect of overseas customers.

The removal of the exception in respect of overseas customers is the only change.