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STATUTORY INSTRUMENTS

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**1994 No. 686**

**VALUE ADDED TAX**

**The Value Added Tax (Tax Free Shops) Order 1994**

*Made* - - - - *9th March 1994*  
*Laid before the House of*  
*Commons* - - - - *10th March 1994*  
*Coming into force* - - *1st April 1994*

The Treasury, in exercise of the powers conferred on them by sections 16(4) and 48(6) of the Value Added Tax Act 1983(1) 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 (Tax Free Shops) Order 1994 and shall come into force on 1st April 1994.

2.—(1) Group 15A(2) (Tax Free Shops) of Schedule 5 to the Value Added Tax Act 1983 shall be amended as follows.

(2) For item 1 there shall be substituted the following—

“1. The supply, by a person in the course of carrying on business in a tax free shop, to a traveller making a relevant journey of goods which are of either of the following descriptions—

- (a) goods not included in the first column of the following table which do not exceed a value of £71 in aggregate and which are to be carried in the traveller’s personal luggage; or
- (b) goods included in the first column of the following table which do not exceed the quantities set out in the second column of that table and are to be carried in the traveller’s personal luggage.

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Goods	Quantity
Alcoholic beverages—	
(a) with an alcoholic strength of more than 22% by volume	a total of 1 litre
or	a total of 2 litres

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(1) 1983 c. 55.  
(2) Group 15A was inserted by S.I.1992/3131.

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*Status: This is the original version (as it was originally made).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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Goods	Quantity
with an alcoholic strength of not more than 22% by volume, fortified wines and sparkling wines (including made-wines)	
(b) still wines (including made-wines)	a total of 2 litres
Perfume and Toilet Water	
Perfume	60 ml
Toilet Water	250 ml
Tobacco Products	
Cigarettes	200
or Cigarillos	100
or Cigars	50
or Smoking tobacco	250 grammes”

(3) In note (1) for “£36” there shall be substituted “£71”.

9th March 1994

*Irvine Patnick*  
*Andrew Mackay*  
 Two of the Lords Commissioners of Her Majesty’s Treasury

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## EXPLANATORY NOTE

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

This Order, which comes into force on 1st April 1994, amends Group 15A of Schedule 5 to the Value Added Tax Act 1983 (c. 55). Group 15A provides the limits of goods that may be supplied at the zero-rate in a tax free shop to a traveller making a journey to a destination in another member State of the European Community.

The effects of the amendments are as follows:

First, the limit of the value of goods, other than alcoholic beverages, perfume and toilet water and tobacco products, that can be supplied in a tax free shop at the zero-rate, has been increased from £36 (45 ECU) to £71 (90 ECU). This amendment gives effect to Article 2 of Directive 94/4/EC (OJNo. L60, 3.3.94, p.14) which amends Article 28k of Council Directive 77/388/EEC (OJ No. L145, 13.6.77, p1): Article 28k was inserted by Article 1.22 of Council Directive 91/680/EEC (OJ No. L376, 31.12.91, p1).

Secondly, the requirement that goods supplied at the zero-rate in a tax free shop should have no commercial character has been removed.

Thirdly, the limit on the supply at the zero-rate of either 2 litres of alcoholic beverages with an alcoholic strength of not more than 22% by volume or of 2 litres of fortified wines and sparkling wines, has been replaced by a combined limit of 2 litres of alcoholic beverages with an alcoholic strength of not more than 22% by volume, fortified wines and sparkling wines (including made-wines).

Finally, the limit of 2 litres of still wines (other than fortified wines) has been replaced by a limit of 2 litres of still wines (including made-wines).