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STATUTORY INSTRUMENTS

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**1973 No. 173**

**VALUE ADDED TAX**

**The Value Added Tax (Terminal Markets) Order 1973**

*Made* - - - - 6th February 1973  
*Laid before the House of*  
*Commons* - - - - 13th February 1973  
*Coming into Operation* 1st April 1973

The Treasury, in exercise of the powers conferred on them by section 26 of the Finance Act 1972 hereby make the following Order:—

1. This Order may be cited as the Value Added Tax (Terminal Markets) Order 1973 and shall come into operation on 1st April 1973.

**Commencement Information**

**II** [Art. 1](#) in force at 1.4.1973, see [art. 1](#)

2.—(1) The Interpretation Act 1889 shall apply for the interpretation of this Order as it applies for the interpretation of an Act of Parliament.

(2) This Order applies to the following terminal markets—

the London Metal Exchange,  
the London Rubber Market,  
the London Cocoa Terminal Market,  
the London Coffee Terminal Market,  
the London Sugar Terminal Market,  
the London Sugar Terminal Market,  
the London Vegetable Oil Terminal Market,  
the London Wool Terminal Market,  
the London Silver Market,  
the London Grain Futures Market, and  
the Liverpool Barley Futures Market.

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(3) References in this Order to a member of a market include any person ordinarily engaged in dealings on the market.

.....  
**Commencement Information**

**I2** Art. 2 in force at 1.4.1973, see art. 1

**3.—**(1) The following supplies of goods or services in the course of dealings on a terminal market to which this Order applies are hereby zero-rated, subject to the conditions specified in this Article—

- (a) the sale by or to a member of the market of any goods ordinarily dealt with on the market,
- (b) the grant by or to a member of the market of a right to acquire such goods,
- (c) where a sale of goods or the grant of a right zero-rated under sub-paragraph (a) or (b) above is made in dealings between members of the market acting as agents, the supply by those members to their principals of their services in so acting.

(2) The zero-rating of a sale by virtue of paragraph (1)(a) above is subject to the condition that the sale is either—

- (a) a sale which, as a result of other dealings on the market, does not lead to a delivery of the goods by the seller to the buyer, or
- (b) a sale by and to a member of the market which—
  - (i) if the market is the London Metal Exchange, is a sale between members entitled to deal in the ring,
  - (ii) if the market is the London Cocoa Terminal Market, the London Coffee Terminal Market, the London Sugar Terminal Market, the London Vegetable Oil Terminal Market or the London Wool Terminal Market, is a sale registered with the London Produce Clearing House Limited,
  - (iii) if the market is the London Grain Futures Market, is a sale registered in the Clearing House of the Grain and Feed Trade Association Limited, and
  - (iv) if the market is the Liverpool Barley Futures Market, is a sale registered at the Clearing House of the Liverpool Corn Trade Association Limited.

(3) The zero-rating of the grant of a right by virtue of paragraph (1)(b) above is subject to the condition that either—

- (a) the right is exercisable at a date later than that on which it is granted, or
- (b) any sale resulting from the exercise of the right would be a sale with respect to which the condition specified in paragraph (2) above is satisfied.

.....  
**Commencement Information**

**I3** Art. 3 in force at 1.4.1973, see art. 1

Hugh Rossi  
V.H. Goodhew  
Two of the Lords Commissioners of Her  
Majesty's Treasury

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## EXPLANATORY NOTE

This Order zero-rates certain supplies of goods and services in the course of dealings on the terminal markets listed in Article 2(2) of the Order, which involve goods ordinarily dealt with on the market. Supplies which are zero-rated are futures transactions (including options) not resulting in a delivery of goods, provided they are supplies by or to a member of one of the markets; and sales of physical goods between members of one market subject to certain conditions laid down in Article 3(2)(b). The Order also zero-rates the services of any market member acting as a broker in connection with any of these supplies.

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**Changes and effects yet to be applied to :**

- art. 2 amended by
- art. 2 amended by
- art. 2 amended by
- art. 2 amended by
- art. 2 amended by
- art. 2 amended by
- art. 2 amended by
- art.2 amended by [S.I. 1999/3117 arts.45](#)
- art.2(2) amended by [S.I. 1997/1836 art.2](#)
- art.2(2) amended by [S.I. 1997/1836 art.2](#)
- art. 3 amended by
- art. 3 amended by
- art. 3 amended by
- art.3 amended by [S.I. 1999/3117 arts.67](#)

**Changes and effects yet to be applied to the whole Instrument associated Parts and Chapters:**

Whole provisions yet to be inserted into this Instrument (including any effects on those provisions):

- arts.4-7 added by [S.I. 1999/3117 art.8](#)
- art. 6 words omitted by [S.I. 2019/59 reg. 2\(2\)\(a\)](#) (This amendment not applied to legislation.gov.uk. Reg. 2 omitted on IP completion day by virtue of S.I. 2020/1545, regs. 1, 104(4); S.I. 2020/1641, reg. 2, Sch.)
- art. 6 words omitted by [S.I. 2019/59 reg. 2\(2\)\(b\)](#) (This amendment not applied to legislation.gov.uk. Reg. 2 omitted on IP completion day by virtue of S.I. 2020/1545, regs. 1, 104(4); S.I. 2020/1641, reg. 2, Sch.)
- art. 6 words omitted by [S.I. 2019/59 reg. 2\(2\)\(c\)](#) (This amendment not applied to legislation.gov.uk. Reg. 2 omitted on IP completion day by virtue of S.I. 2020/1545, regs. 1, 104(4); S.I. 2020/1641, reg. 2, Sch.)
- art. 6 words substituted by [S.I. 2021/715 reg. 6\(a\)](#)
- art. 6 words substituted by [S.I. 2021/715 reg. 6\(b\)](#)