

1973 No. 392

VALUE ADDED TAX

**The Value Added Tax (Finance and Insurance)
Order 1973**

<i>Made - - - -</i>	<i>6th March 1973</i>
<i>Laid before the</i>	
<i>House of Commons</i>	<i>6th March 1973</i>
<i>Coming into Operation</i>	<i>1st April 1973</i>

The Treasury, in exercise of the powers conferred on them by item 5 of Group 9 in Schedule 4 to the Finance Act 1972(a) hereby make the following Order:—

1. This Order may be cited as the Value Added Tax (Finance and Insurance) Order 1973 and shall come into operation on 1st April 1973.
2. The Interpretation Act 1889(b) shall apply for the interpretation of this Order as it applies for the interpretation of an Act of Parliament.
3. The services and circumstances mentioned in the Schedule to this Order are hereby specified for the purposes of item 5 of Group 9 in Schedule 4 to the Finance Act 1972; and accordingly the supply of those services in those circumstances is zero-rated under that item.

V. H. Goodhew,

Hugh Rossi,

Two of the Lords Commissioners
of Her Majesty's Treasury.

6th March 1973.

(a) 1972 c. 41.

(b) 1889 c. 63.

SCHEDULE

FINANCE

1. Any services comprised in item 1, 2 or 3 of Group 5 in Schedule 5 to the Finance Act 1972(a), when supplied to a person resident in the United Kingdom in connection with—

- (a) the exportation of specific goods; or
- (b) the transshipment (whether within or outside the United Kingdom) of goods whose ultimate destination is a place outside the United Kingdom.

INSURANCE

2. Any insurance provided in the course of a marine, aviation and transport insurance business (within the meaning of section 59(4) of the Companies Act 1967(b)) except re-insurance and except insurance upon—

- (a) ships or hovercraft of a gross tonnage of less than 15 tons;
- (b) aircraft of a weight of less than eighteen thousand pounds; or
- (c) ships, hovercraft or aircraft designed or adapted for use for recreation or pleasure.

3. Any insurance effected by a policy granted to—

- (a) a person not resident in the United Kingdom; or
- (b) a person carrying on a business who has his place of business or principal place of business outside the United Kingdom.

4. Any insurance against risks occurring outside the United Kingdom, except re-insurance and except—

- (a) life insurance; or
- (b) insurance provided for less than twelve months in connection with travel outside the United Kingdom by a person resident in the United Kingdom.

5. The making of arrangements for the provision of any insurance in circumstances where the provision of that insurance is zero-rated by virtue of this Order.

6. Any insurance against risks incurred in the making of advances or the granting of credits if the insurance is provided by the Export Credits Guarantee Department or in circumstances where it might be so provided.

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order provides for the zero-rating of certain insurance and financial services which would otherwise be exempt under Groups 2 and 5 of Schedule 5 to the Finance Act 1972. The zero-rating extends to most marine, aviation and transport insurance, to most other overseas insurance and to financial services provided in connection with exports. The activities of the Export Credits Guarantee Department and comparable insurance activities are also zero-rated under this Order.

(a) 1972 c. 41.

(b) 1967 c. 81.

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