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STATUTORY INSTRUMENTS

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**1987 No. 1806**

**The Value Added Tax (Tour Operators) Order 1987**

**8.—(1) Where—**

- (a) a supply of goods or services is acquired for a consideration in money by a tour operator, for the purpose of supplying a designated travel service, and
- (b) the value of the supply is (apart from this article) greater than its open market value, and
- (c) the person making the supply and the tour operator to whom it is made are connected,

the Commissioners of Customs and Excise may direct that the value of the supply shall be deemed to be its open market value for the purpose of calculating the value of the designated travel service.

(2) A direction under this article shall be given by notice in writing to the tour operator acquiring the supply, but no direction may be given more than three years after the time of the supply.

(3) A direction given to a tour operator under this paragraph, in respect of a supply acquired by him, may include a direction that the value of any supply—

- (a) which is acquired by him after the giving of the notice, or after such later date as may be specified in the notice, and
- (b) as to which the conditions in sub-paragraph (a) to (c) of paragraph (1) above are satisfied,

shall be deemed to be its open market value for the purpose of calculating the value of the designated travel service.

(4) For the purposes of this article any question whether a person is connected with another shall be determined in accordance with section 533 of the Income and Corporation Taxes Act 1970<sup>(1)</sup>.

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**Commencement Information**

**II** [Art. 8](#) in force at 1.4.1988, see [art. 1](#)

**Changes to legislation:**

There are currently no known outstanding effects for the The Value Added Tax (Tour Operators) Order 1987, Section 8.