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 STATUTORY INSTRUMENTS
 

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1988 No. 2212

**VALUE ADDED TAX**
**The Value Added Tax (Imported Goods) Relief  
(Amendment) (No. 2) Order 1988**

*Made* - - - - - *19th December 1988*

*Laid before the  
House of Commons* - *20th December 1988*

*Coming into force* - *1st January 1989*

Whereas it appears necessary to the Treasury that the relief from value added tax provided by this Order should be allowed with a view to conforming with certain of the provisions of Council Directive No. 83/181/EEC(a) (as last amended by Council Directive No. 88/331/EEC(b)) determining the scope of Article 14(1)(d) of Council Directive No. 77/388/EEC(c) as regards exemption from value added tax on the final importation of certain goods:

Now, therefore, the Lords Commissioners of Her Majesty's Treasury, by virtue of the powers conferred on them by section 19(1) of the Value Added Tax Act 1983(d) 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 (Imported Goods) Relief (Amendment) (No. 2) Order 1988 and shall come into force on 1st January 1989.

2. In this Order and the Value Added Tax (Imported Goods) Relief Order 1984(e) (hereinafter referred to as the principal Order)—

“member State” means a state which is a member of the European Economic Community;

“third country” means a country other than a member State.

3. Schedule 2 to the principal Order shall be amended in accordance with articles 4 to 8 of this Order.

4. In Group 3 (promotion of trade)—

(a) for item 3 there shall be substituted the following item—

“3. Printed advertising matter, including catalogues, price lists, directions for use or brochures, which relates to goods for sale or hire by a person established outside the United Kingdom, or to services offered by a person established in another member State, or to transport, commercial insurance or banking services offered by a person established in a third country, and

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(a) OJ No. L105, 23.4.1983, p. 38.

(b) OJ No. L151, 17.6.1988, p. 79.

(c) OJ No. L145, 13.6.1977, p. 1, to which there are amendments not relevant to this Order.

(d) 1983 c.55.

(e) S.I. 1984/746; relevant amending instrument is S.I. 1987/155.

which clearly displays the name of the person by whom such goods or services are offered.”;

- (b) in Note (2), for the words “Item 3 does not apply in the case of—” there shall be substituted the words “Save in the case of imported printed matter intended for distribution free of charge and relating to either goods for sale or hire or to services offered by a person established in a member State other than the United Kingdom, item 3 does not apply to—”.

**5. In Group 5 (health)—**

- (a) after item 9, there shall be added the following item—

“10. Samples of reference substances approved by the World Health Organisation for the quality control of materials used in the manufacture of medicinal products.”;

- (b) in Note (2), for the reference to “Article 60(1)(b)” there shall be substituted a reference to “Article 60”;

- (c) after Note (4), there shall be added the following Note—

“(5) Item 10 applies only to samples addressed to consignees authorised to receive them free of tax.”.

**6. In Group 7 (printed matter, etc.)—**

- (a) after item 17, there shall be added the following items—

“18. Official publications issued under the authority of the country of exportation, international institutions, regional or local authorities and bodies governed by public law established in the country of exportation.

19. Printed matter distributed by foreign political organisations on the occasion of elections to the European Parliament or national elections in the country in which the printed matter originates.”;

- (b) for the Note to the Group there shall be substituted the following—

“Notes:

(1) Items 15 and 16 do not apply where the goods contain more than 25 per cent. of private commercial advertising.

(2) Items 18 and 19 apply only to publications or printed matter on which value added tax or any other tax has been paid in the country of exportation and which have not benefited, by virtue of their exportation, from any relief from payment thereof.

(3) In item 19, “foreign political organisations” means those which are officially recognised as such in the United Kingdom.”.

**7. In Group 8 (articles sent for miscellaneous purposes)—**

- (a) in item 8, there shall be deleted the words “, sent by post”;

- (b) after item 8, there shall be added the following item—

“9. Awards, trophies and souvenirs of a symbolic nature and of limited value intended for distribution free of charge at business conferences or similar international events to persons normally resident in a country other than the United Kingdom.”;

- (c) for the Note to the Group there shall be substituted the following—

“Note: Items 5, 6, 7 and 9 do not apply to any importation of a commercial character.”.

**8. For Group 10 (transport) there shall be substituted the following—**

## "GROUP 10—TRANSPORT

*Item No.*

1. Fuel contained in the standard tanks of a vehicle or of a special container, for use exclusively by such vehicle or such special container.
2. Fuel, not exceeding 10 litres for each vehicle, contained in portable tanks carried by a vehicle, for use exclusively by such vehicle.
3. Lubricants contained in a vehicle, for use exclusively by such vehicle.
4. Litter, fodder and feedingstuffs contained in any means of transport carrying animals, for the use of such animals during their journey.
5. Disposable packings used for the stowage and protection of goods during their transportation to the United Kingdom.

## Notes:

- (1) "Standard tanks" means any of the following—
  - (a) tanks permanently fitted to a vehicle and which are fitted to all vehicles of that type by the manufacturer, to supply directly fuel for the purpose of propulsion and, where appropriate, for the operation, during transport, of refrigeration systems and other systems;
  - (b) gas tanks fitted to vehicles designed for the direct use of gas as a fuel;
  - (c) tanks fitted to ancillary systems with which a vehicle is equipped; and
  - (d) tanks permanently fitted to a special container and which are fitted to all special containers of that type by the manufacturer, to supply directly fuel for the operation, during transport, of refrigeration systems and other systems with which special containers are equipped.
- (2) "Vehicle" means any motor road vehicle.
- (3) "Special container" means any container fitted with specially designed apparatus for refrigeration systems, oxygenation systems, thermal insulation systems and other systems.
- (4) Item 2 does not apply in the case of any special purpose vehicle or a vehicle which, by its type of construction and equipment, is designed for and capable of transporting goods or more than nine persons including the driver.
- (5) Item 3 applies only to lubricants necessary for the normal operation of the vehicle during its journey.
- (6) Item 5 applies only where the cost of the packings is included in the consideration for the goods transported."

*David Lightbown  
Kenneth Carlisle*

19th December 1988

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 further amends the Value Added Tax (Imported Goods) Relief Order 1984 which provides for relief from value added tax chargeable on the permanent importation of certain goods into the United Kingdom. The amendments give effect to Council Directive 88/331/EEC which amends Council Directive 83/181/EEC. Comparable

provisions for relief from customs duty are conferred by Council Regulation (EEC) No. 918/83 which is similarly amended by Council Regulation (EEC) No. 1315/88.

Schedule 2 of the 1984 Order, which applies to goods of specified descriptions imported in conjunction with specified activities, is amended by Articles 4 to 8. Schedule 2 is divided into 11 Groups. Items within these Groups are interpreted in accordance with notes and where goods are described by reference to a use or purpose, relief is conditional upon the goods being put to such use or the purpose being fulfilled.

Article 4 amends Group 3 (promotion of trade). The existing relief for printed advertising matter (item 3) is extended in relation to services offered by a person established in another member State.

Article 5 amends Group 5 (health). A new relief (item 10) is introduced for reference substances, approved by the World Health Organisation, imported for certain purposes.

Article 6 amends Group 7 (printed matter, etc). New reliefs (items 18 and 19) are introduced for official publications and electoral matter.

Article 7 amends Group 8 (articles sent for miscellaneous purposes). The existing relief for consignments of goods not exceeding £7 in value (item 8) is no longer restricted to consignments sent by post. A new relief (item 9) is introduced for certain awards, trophies and souvenirs sent for distribution free of charge to overseas residents at certain events.

Article 8 amends Group 10 (transport). The existing relief for fuel contained in the standard tanks of vehicles (part item 1) is extended to fuel contained in the standard tanks of special containers. The existing relief for lubricants contained in vehicles (remainder of item 1) becomes new item 3. Existing items 3 and 4 become new items 4 and 5 and their wording is amended to conform more closely with the words of Directive 83/181/EEC. The definitions in the Notes to this Group are amended and expanded.