

*Order made by the Treasury, laid before Parliament under section 45(3) of the Value Added Tax Act 1983 for approval by resolution of the House of Commons within twenty-eight days beginning on the day on which the Order was made subject to extension for periods of dissolution, prorogation or adjournment for more than four days*

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STATUTORY INSTRUMENTS

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1989 No. 267

VALUE ADDED TAX

The Value Added Tax (Education) Order 1989

<i>Made</i>	- - - - -	<i>27th February 1989</i>
<i>Laid before the House of Commons</i>		<i>1st March 1989</i>
<i>Coming into force</i>	- - -	<i>1st April 1989</i>

The Treasury, in exercise of the powers conferred on them by sections 17(2) and 48(6) of the Value Added Tax Act 1983(a) 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 (Education) Order 1989 and shall come into force on 1st April 1989.

2. Group 6 (education) of Schedule 6(b) to the Value Added Tax Act 1983 shall be varied as follows—

- (a) in item 1, after the word “school” there shall be inserted the words “, eligible institution”;
- (b) there shall be added at the end of note (1) the words “but excludes—
  - (a) courses in English as a foreign language which are provided for payment which exceeds the full cost of providing the courses; and
  - (b) holiday courses of an essentially recreational or sporting nature.”.
- (c) by inserting after note (3) the following note—
  - “(3A) For the purposes of item 1 above “eligible institution” means—
    - (a) an institution to which section 132(6) of the Education Reform Act 1988(c) applies;
    - (b) an institution to which section 77(5) of the Education (Scotland) Act 1980(d) applies;
    - (c) an institution to which grants are paid by the Department of Education for Northern Ireland under article 66(2) of the Education and Libraries (Northern Ireland) Order 1986(e);
    - (d) the Cambridge Institute of Education, the Royal College of Art and the Cranfield Institute of Technology.”.

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(a) 1983 c.55.

(b) Group 6 was varied by S.I. 1987/1259.

(c) 1988 c.40.

(d) 1980 c.44.

(e) S.I. 1986/594 (N.I.3).

27th February 1989

*Stephen Dorrell*  
*David Lightbown*  
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 1989, extends to education and research provided by polytechnics and other centrally-funded institutions of higher education the wider exemption from VAT already applied to universities and schools. It also excludes from the exemption holiday sporting and recreational courses and profit-making courses in English as a foreign language; this gives statutory effect to the existing voluntary arrangements whereby universities pay tax on these courses.

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