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STATUTORY INSTRUMENTS

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**1995 No. 1495**

**VALUE ADDED TAX**

**The Value Added Tax (Tour Operators) (Amendment) Order 1995**

<i>Made</i>	- - - -	<i>9th June 1995</i>
<i>Laid before the House of Commons</i>	- - - -	<i>9th June 1995</i>
<i>Coming into force</i>	- -	<i>1st January 1996</i>

The Treasury, in exercise of the powers conferred on them by section 53(1) and (2) of the Value Added Tax Act 1994<sup>(1)</sup> 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 (Tour Operators) (Amendment) Order 1995 and shall come into force on 1st January 1996.
2. Article 10 of the Value Added Tax (Tour Operators) Order 1987<sup>(2)</sup> is hereby revoked.
3. Article 4 of the Value Added Tax (Tour Operators) (Amendment) Order 1990<sup>(3)</sup> is hereby revoked.

9th June 1995

*Tim Wood*  
*Derek Conway*  
Two of the Lords Commissioners of Her Majesty's Treasury

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(1) 1994 c. 23.  
(2) S.I.1987/1806; article 10 was amended by S.I. 1990/751.  
(3) S.I. 1990/751.

**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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## EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order varies, with effect from 1st January 1996, the Value Added Tax (Tour Operators) Order 1987 (“the principal Order”). The principal Order gives effect to the requirement under Article 26 of Council Directive [77/388/EEC](#) (OJNo. L145, 13.7.77, p.1) (“the Sixth VAT Directive”) to provide a scheme under which tour operators account for VAT on the difference between the VAT-inclusive purchase price and the selling price of their services (“the margin”).

Article 26 of the Sixth VAT Directive permits only that proportion of the margin that relates to supplies enjoyed outside the territory of the European Community to be relieved from VAT. Article 2 of the Order removes an inconsistency between the principal Order and Article 26 of the Sixth VAT Directive by revoking article 10 of the principal Order, thereby removing the relief from VAT for the portion of the margin on a supply of designated travel services (as defined in article 3 of the principal Order) that relates to transport and education services enjoyed within the European Community.

Article 3 of the Order revokes article 4 of the Value Added Tax (Tour Operators) (Amendment) Order 1990, which has become spent as a result of the revocation of article 10 of the principal Order.