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## EXPLANATORY NOTE

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

These Regulations, which come into force on 1st April 1999, further amend the Value Added Tax Regulations 1995 (S.I. [1995/2518](#)) (the principal Regulations) by amending the numbering of the regulations in Part VA of the principal Regulations, revoking the export house provisions and amending the definition of “overseas visitor” for the purposes of the Retail Export Scheme.

Part VA was inserted into the principal Regulations by the Value Added Tax (Amendment) Regulations 1998 (S.I. [1998/59](#)). The numbering ascribed to the regulations inserted by that Part should have been 43A to 43H respectively, instead of 37A to 37H.

The revocation of paragraph (3) of regulation 117 and regulation 127 means that businesses defined as “export houses” will no longer be able to receive goods, supplied in accordance with regulation 127, at the zero-rate. Export houses will, therefore, be treated in the same way as manufacturers and other businesses who take delivery of goods in the United Kingdom, prior to their subsequent export. The final supply of goods by exporters to their overseas customers will continue to be eligible for zero-rating.

Regulations 130(a)(i) and 131 of the principal Regulations enable a retailer, in certain circumstances, to zero-rate a supply of goods made to an overseas visitor to the member States (the Retail Export Scheme). These Regulations amend the relevant definition of “overseas visitor” in regulation 117 of the principal Regulations to reflect the requirements of Article 15(2) of Council Directive [77/388/EEC](#) (O.J. L.145, 13.6.77, p.1), as amended by Article 1(3) of Council Directive [95/7/EC](#) (O.J. L.102, 5.5.95, p.18). The necessary consequential amendments are also made.