

EXPLANATORY NOTE

(This note is not part of the Order)

This Order modifies Schedule 7A to the Value Added Tax Act 1994 (charge at reduced rate) (“Schedule 7A”) by inserting new Groups to provide for a temporary reduced rate for certain supplies in the course of catering, holiday accommodation and admission to shows and other attractions.

It also makes temporary consequential changes to the percentages in the Table setting out the percentage rates for the various categories of business entitled to use the flat-rate scheme for small businesses in regulation 55K of the Value Added Tax Regulations 1995 (S.I. 1995/2518) to reflect the temporary reduced rate.

The relief is introduced in response to the coronavirus health emergency by way of time-limited modifications. The relief and the consequential changes to the flat-rate scheme both have effect for the period from 15th July 2020 to 12th January 2021.

A Tax Information and Impact Note covering this instrument will be published on the website at <https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins>.

Changes to legislation:

There are currently no known outstanding effects for the The Value Added Tax (Reduced Rate) (Hospitality and Tourism) (Coronavirus) Order 2020.