

Statutory Document No. 2021/0250



Value Added Tax Act 1996

VALUE ADDED TAX ACT 1996 (REDUCED RATE) (AMENDMENT) (NO. 2) ORDER 2021

Laid before Tynwald:

Coming into Operation: 1 September 2021

The Treasury makes the following Order under sections 29A and 98 of the Value Added Tax Act 1996.

1 Title

This Order is the Value Added Tax Act 1996 (Reduced Rate) (Amendment) (No. 2) Order 2021.

2 Commencement

This Order comes into operation on 1 September 2021¹.

3 Interpretation

In this Order —

“**the Act**” means the Value Added Tax Act 1996;

“**relevant period**” means 1 October 2021 to 31 March 2022.

4 Modification of the Value Added Tax Act 1996 (Reduced Rate) Order 2020

- (1) The modifications made by article 4(2) and (3) of the Value Added Tax Act 1996 (Reduced Rate) Order 2020² continue to have effect (despite article 4(1) of that Order) during the relevant period.
- (2) During the relevant period, in relation to a supply that is of a description within Groups 14 and 15 of Part II of Schedule 1 to the Act (reduced

¹ Section 95(1) of the Value Added Tax Act 1996 provides that an order made by the Treasury under this Act shall be laid before Tynwald as soon as practicable after it is made, and if Tynwald at the sitting at which such order is laid or at the next following sitting resolves that the order shall be annulled, the order shall thereupon cease to have effect.

² SD 2020/0392, as amended by SD 2020/0571 and SD 2021/0104.

rate), the reference in section 29A(1) of the Act to “5 per cent” is to be read as a reference to “12.5 per cent” (and any reference elsewhere in the Act to a rate of 5 per cent in the context of a supply of a description specified in Schedule 1 is to be read accordingly).

MADE 28 JULY 2021

A L CANNAN
Minister for the Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

This Order modifies the Value Added Tax Act 1996 (Reduced Rate) Order 2020³ in line with modifications made in the United Kingdom, as required under the Customs and Excise Agreement 1979.

Since 15 July 2020 supplies in the course of catering and admissions to shows and certain other attractions have been subject to a temporary 5% reduced rate of VAT, rather than the 20% standard rate, to support businesses as a result of the coronavirus emergency.

The temporary reduced rate is to end on 30 September 2021 which would mean that supplies which had benefitted from the reduced rate would revert to the standard rate. However, for the period 1 October 2021 to 31 March 2022, supplies in the course of catering and admissions to shows and certain other attractions will be subject to a new 12.5% reduced rate of VAT, providing continued support to businesses in these sectors as they recover from the pandemic.

³ SD 2020/0392, as amended by SD 2020/0571 and SD 2021/0104.