



VALUE ADDED TAX

VALUE ADDED TAX (EDUCATION) ORDER 1995

*Laid before Tynwald 21st March, 1995*

*Coming into operation 1st January 1995*

In exercise of the powers conferred on the Treasury by sections 13(2) and 44(2) of the Value Added Tax and Other Taxes Act 1973(a) and of all other powers enabling it in that behalf, the following Order is hereby made:

Citation and commencement

1. This Order may be cited as the Value Added Tax (Education) Order 1995 and shall be deemed to have come into operation on 1st January 1995.

Amendment of the Act

2. Group 6 (Education) of Schedule 5 to the Value Added Tax and Other Taxes Act 1973 shall be varied in accordance with the provisions of this Order.

3. For paragraph (f) of Note (1) substitute -

"(f) a body which -

- (i) is precluded from distributing and does not distribute any profit it makes; and
- (ii) applies any profits made from supplies of a description within this Group to the continuance or improvement of such supplies;"

4. For paragraph (g) of Note (1) substitute -

"(g) a body not falling within paragraphs (a) to (f) above which provides the teaching of English as a foreign language."

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(a) 1973 c.1.

5. In Note (2) for "1(e)" substitute "1(g)".

6. For Note (3) substitute -

"(3) "Vocational training" means -

training, re-training or the provision of work experience for -

(a) any trade, profession or employment; or

(b) any voluntary work connected with -

(i) education, health, safety, or welfare; or

(ii) the carrying out of activities of a charitable nature."

Made this 15th day of February 1995



Minister for the Treasury

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EXPLANATORY NOTE

(This note is not part of the Order)

This Order, which shall be deemed to have come into operation on 1st January 1995, amends Group 6 of Schedule 5 to the Value Added Tax and Other Taxes Act 1973.

Note (1) (definition of an eligible body) to the Group is varied so as to include all persons who provide the teaching of English as a foreign language ("EFL"), thereby extending the exemption to such providers who did not previously qualify.

In addition, other amendments are made which ensure that a provider of EFL will only be subject to the restrictions of Note (2) (other supplies by an EFL provider excluded from exemption) when that provider is not an eligible body falling within paragraphs (a) to (g) of Note (1).

The Order also amends the definition of vocational training in Note (3), so that the provision of work experience is included within the exemption for the purposes of both item 1(c) and item 5.