

**EXPLANATORY MEMORANDUM TO  
THE VALUE ADDED TAX (REDUCED RATE) (SMOKING CESSATION  
PRODUCTS) ORDER 2008**

**2008 No. 1410**

**1.** This explanatory memorandum has been prepared by HM Revenue and Customs and is laid before the House of Commons by Command of Her Majesty.

**2. Description**

2.1 This Order amends Schedule 7A (Charge at Reduced Rate) to the Value Added Tax Act 1994 (c. 23) (“Schedule 7A”).

2.2 Article 3 extends the reduced rate provided for in Group 11 (smoking cessation products) of Schedule 7A to supplies of such products made on or after 1 July 2008.

**3. Matters of special interest to the Select Committee on Statutory Instruments**

None

**4. Legislative Background**

4.1 This Order has been made by the Treasury in exercise of their powers under section 29A of the Value Added Tax Act 1994.

4.2 Section 29A(3) provides that the Treasury may by order vary Schedule 7A by adding or deleting from it any description of supply or by varying any description of supply for the time being specified in it.

4.3 Section 29A(4) provides that the power to vary Schedule 7A conferred by sub-section (3) may be exercised so as to describe a supply of goods or services by reference to matters unrelated to their characteristics and that, in the case of a supply of goods, those matters include, in particular, the use that has been made of the goods.

**5. Extent**

This instrument applies to all of the United Kingdom.

**6. European Convention on Human Rights**

The Rt Hon Jane Kennedy MP, Financial Secretary to the Treasury, has made the

following statement under section 19(1)(a) of the Human Rights Act 1998:

In my view the provisions of the Value Added Tax (Reduced Rate) (Smoking Cessation Products) Order 2008 are compatible with the Convention rights.

**7. Policy background to Article 3**

7.1 In 2007 the Government introduced a reduced rate for supplies of smoking cessation products as part of its overall strategy to promote good health. The reduced rate applied to supplies of such products during the period 1 July 2007 to 30 June 2008.

7.2 Extending the application of the reduced rate beyond 30 June 2008 is designed to continue to make these products more affordable as part of the Government's ongoing strategy of promoting good health.

**8. Impact**

An impact assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies.

**9. Contact**

Bob Morrison at HM Revenue and Customs Tel: 0207 147 0568 or e-mail: bob.morrison@hmrc.gsi.gov.uk can answer any queries regarding this instrument.