

SCHEDULE 2 Zero-rated Goods and Services

Section 46.

VATA Sch. 2

PART 1 International Supplies

This Part sets out the exemptions with deductibility in accordance with Chapters 4 to 10 of Title IX of the VAT Directive.

Intra-Community transactions.

1. (1) The supply of goods dispatched or transported from the State to a person registered for value-added tax in another Member State.

(2) The supply of new means of transport dispatched or transported directly by or on behalf of the supplier to a person in the territory of another Member State.

(3) The supply of excisable products dispatched or transported from within the State to a person in another Member State when the movement of the products is subject to Chapter II of Part 2 of the Finance Act 2001 (which implements the arrangements specified in paragraphs 4 and 5 of Article 7, or Article 16, of Council Directive No. 92/12/EEC of 25 February 1992).

(4) The supply of intra-Community transport services involving the carriage of goods to and from the Azores or Madeira.

Imports.

2. (1) Subject to regulations (if any), the importation of goods that are, at the time of importation, consigned to another Member State.

(2) The supply of transport services relating to the importation of goods where the value of the services is included in the taxable amount in accordance with section 53 (1).

Exports.

3. (1) A supply of goods that are to be transported directly by or on behalf of the person making the supply outside the Community. This subparagraph does not apply to a supply of goods to a traveller that the traveller exports on behalf of the supplier. Any such supply is to be treated as a supply of traveller's qualifying goods.

(2) The carriage of goods in the State by or on behalf of a person in performing a contract to transfer

the goods to a place outside the Community.

(3) A supply of goods that are to be dispatched or transported directly outside the Community by or on behalf of the purchaser of the goods where that purchaser is established outside the State.

(4) A supply of services that consists of work on movable goods acquired or imported for the purpose of undergoing that work within the Community and dispatched or transported out of the Community by or on behalf of the person providing the services.

(5) In this paragraph “traveller” and “traveller’s qualifying goods” have the meanings respectively assigned to them by section 58 (1).

Services relating to vessels and aircraft.

4. (1) The provision of docking, landing, loading or unloading facilities (including customs clearance), directly in connection with—

(a) the disembarkation or embarkation of passengers, or

(b) the importation or exportation of goods.

(2) The supply, modification, repair, maintenance, chartering and hiring of—

(a) sea-going vessels of a gross tonnage of more than 15 tons being vessels used or to be used—

(i) for the carriage of passengers for reward,

(ii) for the purposes of a sea fishing business,

(iii) for other commercial or industrial purposes, or

(iv) for rescue or assistance at sea,

or

(b) aircraft used or to be used by a transport undertaking operating for reward chiefly on international routes.

(3) Subject to regulations (if any), the supply, hiring, repair and maintenance of equipment incorporated or for use in sea-going vessels to which subparagraph (2)(a) relates.

(4) The supply, repair, maintenance and hiring of equipment incorporated or used in aircraft to which subparagraph (2)(b) relates.

(5) The supply of goods for the fuelling and provisioning of sea-going vessels and aircraft of the kind

specified in subparagraph (2), but excluding goods for supply on board the vessels or aircraft to passengers with a view to those goods being taken off the vessels or aircraft by those passengers.

(6) The supply of navigation services by the Irish Aviation Authority to meet the needs of aircraft to which subparagraph (2)(b) relates.

Certain transactions treated as exports.

5. (1) The supply of goods or services to international bodies recognised as such by the public authorities of the host Member State, and to members of those bodies, within the limits and under the conditions prescribed by the international conventions establishing the bodies or by the agreements between the headquarters of those bodies and the host Member State of the headquarters.

(2) The supply of gold to the Central Bank of Ireland.

Services by intermediaries.

6. (1) Services supplied by an intermediary acting in the name or on behalf of another person in obtaining—

- (a) the export of goods,
- (b) services specified in subparagraph (2), or
- (c) the supply of goods or services outside the Community.

(2) The following services are specified for the purposes of subparagraph (1)(b):

(a) services of the kind referred to in paragraph 1(4) (Carriage of goods to or from the Azores or Madeira);

(b) services of the kind referred to in paragraph 3(2) (Carriage of goods in transit to a place outside the Community);

(c) services of the kind referred to in paragraph 4(1) (Provision of docking, landing, loading or unloading facilities);

(d) services of the kind referred to in paragraph 4(2) (Supply, hire, repair, maintenance, etc. of equipment incorporated or for use in sea-going vessels);

(e) services of the kind referred to in paragraph 5(2) (Supply of gold to the Central Bank of Ireland).

(3) Services that are treated as intermediary services under the travel agent's margin scheme in accordance with section 88 (8).

International trade, etc.

7. (1) The supply of goods by a registered person within a free port to another registered person within a free port.

(2) The supply of goods by a registered person within the customs-free airport to another registered person within the customs-free airport or a free port.

(3) The supply of goods that are to be transported directly or on behalf of the person making the supply to a registered person within the customs-free airport.

(4) The supply of goods that are a traveller's qualifying goods, but only if section 58 (2) is complied with.

(5) The supply of services in obtaining a repayment of tax due on the supply of a traveller's qualifying goods or as a result of the application of subparagraph (4) to that supply of goods, but only if section 58 (2) is complied with.

(6) Subject to such conditions and in such amounts as may be specified in regulations (if any)—

(a) the supply of goods, in a tax-free shop approved by the Revenue Commissioners, to travellers departing the State for a place outside the Community, or

(b) the supply, other than by means of a vending machine, of food, drink and tobacco products on board a vessel or aircraft to passengers departing the State for another Member State, for consumption on board that vessel or aircraft.

(7) Subject to section 56, the supply of qualifying goods and qualifying services to, or the intra-Community acquisition or importation of qualifying goods by, an authorised person in accordance with that section (1)(f) or (g)).

(8) In this paragraph "traveller's qualifying goods" has the meaning assigned to it by section 58 (1).

PART 2 Supplies Within the State

This Part sets out special provisions as provided by Article 109 of the VAT Directive.

Food and drink.

8. (1) A supply of food and drink of a kind used for human consumption, other than—

(a) a supply to which paragraph 3(3) of Schedule 3 relates,

(b) supplies specified in Part A, B, C or D of Table 1 to this paragraph, and

(c) supplies specified in column (1) of Part E or F of that table.

Table 1 Food and Drink Part A Beverages chargeable with excise duty specifically charged on spirits, beer, wine, cider, perry or Irish wine, and preparations derived from any of them. Part B (a) Tea and preparations derived from tea when supplied in drinkable form. (b) Cocoa, coffee and chicory and other roasted coffee substitutes, and preparations and extracts derived from them, when supplied in drinkable form. Part C (a) Ice cream, ice lollipops, water ices, frozen desserts, frozen yoghurts and similar frozen products, and prepared mixes and powders for making any of those products. (b) Savoury products made from cereal or grain, or from flour or starch derived from cereal or grain, pork scratchings, and similar products when supplied for human consumption without further preparation. Part D Any of the following when supplied for human consumption without further preparation: (a) potato crisps, potato sticks, potato puffs and similar products made from potato, or from potato flour or from potato starch; (b) popcorn; (c) salted or roasted nuts, whether or not in their shells. Part E (1) (2) Any of the following items not being items specified in column (2) of this Part: (a) drinking water, juice extracted from, and other drinkable products derived from, fruit or vegetables, and syrups, concentrates, essences, powders, crystals or other products for the preparation of beverages; (b) beverages other than those specified in Part A or B. (a) Tea and preparations derived from tea when supplied in non-drinkable form. (b) Cocoa, coffee and chicory and other roasted coffee substitutes, and preparations and extracts derived from any of them, when supplied in non-drinkable form. (c) Milk and preparations and extracts derived from milk. (d) Preparations and extracts derived from meat, yeast or eggs. Part F (1) (2) All kinds of chocolates, sweets and similar confectionery (including glacé or crystallised fruits), biscuits, crackers and wafers, and all other kinds of confectionery and bakery products (whether cooked or uncooked), excluding bread within the meaning assigned to it in column (2) of this Part. For the purposes of this Part “bread” means food for human consumption manufactured by baking dough composed exclusively of a mixture of cereal flour and any one or more of the ingredients included in column (1) of Table 2 to this paragraph that do not exceed the quantities (if any) set out for each ingredient in column (2) of that table, but does not include food packaged for sale as a unit (not being a unit designated as containing only food specifically for babies) containing 2 or more slices, segments, sections or other similar pieces, having a crust over substantially the whole of their outside surfaces, being a crust formed in the course of baking, frying or toasting.

Table 2 Ingredients and Weight Limits thereof for Bread as defined in column (2) of Part F of Table 1
(1) Ingredient (2) Weight limit for the ingredient, as percentage of weight of flour included in the dough
Yeast or other leavening or aerating agent, salt, malt extract, milk, water, gluten No limit Fat Not
exceeding 2% Sugar Not exceeding 2% Bread improver Not exceeding 2% Dried fruit Not exceeding 10%

(2) In this paragraph, a reference to supplying food and drink includes—

(a) a reference to supplying food without drink, and

(b) a reference to supplying drink without food.

Certain printed matter.

9. The supply of printed books and booklets, including atlases, but excluding—

- (a) newspapers, periodicals, brochures, catalogues, directories and programmes,
- (b) books of stationery, cheque books and similar products,
- (c) diaries, organisers, yearbooks, planners and similar products the total area of whose pages consist of 25 per cent or more of blank spaces for the recording of information,
- (d) albums and similar products, and
- (e) books of stamps, tickets or coupons.

Children's clothing and footwear.

10. (1) The supply of articles of children's personal clothing of sizes that do not exceed the sizes of those articles appropriate to children of average build of 10 years of age, but excluding—

(a) articles of clothing made wholly or partly of fur skin other than garments merely trimmed with fur skin, unless the trimming has an area greater than one-fifth of the area of the outside material, and

(b) articles of clothing that are not described, labelled, marked or marketed on the basis of age or size.

(2) The supply of articles of children's personal footwear of sizes that do not exceed the size appropriate to children of average foot size of 10 years of age, but excluding footwear that is not described, labelled, marked or marketed on the basis of age or size.

(3) In this paragraph, a child whose age is 10 years or 10 years and a fraction of a year is taken to be a child of 10 years of age.

Medicine, medical equipment and appliances.

11. (1) The supply of medicine of a kind used for human oral consumption.

(2) The supply of medicine of a kind used for animal oral consumption, excluding medicine which is packaged, sold or otherwise designated for the use of dogs, cats, cage birds or domestic pets.

(3) The supply of medical equipment and appliances, being—

(a) invalid carriages and other vehicles (excluding mechanically propelled road vehicles) of a kind designed for use by invalids or infirm persons,

(b) orthopaedic appliances, surgical belts, trusses and similar products, deaf aids, and artificial limbs and other artificial parts of the body excluding artificial teeth, corrective spectacles and contact lenses,

(c) walking frames and crutches,

(d) parts or accessories suitable for use solely or principally with any of the goods specified in clauses (a), (b) and (c).

Fertilisers, feeding stuffs, certain seeds, etc.

12. (1) For the purpose of this paragraph “fertiliser” has the meaning assigned to it by the Fertilisers, Feeding Stuffs and Mineral Mixtures Act 1955.

(2) Fertiliser that is supplied in units of not less than 10 kilograms and the sale or manufacture of which is not prohibited under section 4 or 6 of the Fertilisers, Feeding Stuffs and Mineral Mixtures Act 1955.

(3) Animal feeding stuff, excluding feeding stuff which is packaged, sold or otherwise designated for the use of dogs, cats, cage birds or domestic pets.

(4) Seeds, plants, trees, spores, bulbs, tubers, tuberous roots, corms, crowns and rhizomes, of a kind used for sowing in order to produce food.

Other zero-rated goods and services.

13. (1) Services provided by the Commissioners of Irish Lights in connection with the operation of lightships, lighthouses or other navigational aids.

(2) Life saving services provided by the Royal National Lifeboat Institution including the organisation and maintenance of the lifeboat service.

(3) The supply of sanitary towels and sanitary tampons.

(4) The supply of wax candles and night-lights that are white and cylindrical, excluding candles and night-lights that are decorated, spiralled, tapered or perfumed.