HMRC - IPT04620 - Definition Of

Paragraph 12(2) of Schedule 7A defines “foreign or international transit” as:

… goods in transit, and any container in which they are carried, where their carriage-

(a) begins and ends outside the United Kingdom;

(b) begins outside but ends in the United Kingdom; or

(c) ends outside but begins in the United Kingdom.

This relief has also been interpreted as including goods in transit to and from exhibitions outside the UK even though the goods may begin and end their round trip in the UK. This recognises that there is an argument for saying that the goods are in fact making two journeys, one from the UK to the exhibition and a second journey back to the UK. An insured could easily avoid IPT by splitting a policy in two, with separate cover for each leg of the journey. We have accepted that it would be inappropriate to adopt an inflexible line in such cases, as the goods in question are being used to promote international trade. This policy also puts UK exhibitors on an equal footing with overseas exhibitors whose goods come into and leave the UK.

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