

Foreword

This notice cancels and replaces Notice 714 (April 1995), Notice 714A (May 1995) and VAT Information Sheet 01/01.

Further help and advice

If you need general advice or more copies of Customs and Excise notices, please ring the **National Advice Service** on **0845 010 9000**. You can call between **8.00 am and 8.00 pm, Monday to Friday**.

If you have **hearing difficulties**, please ring the **Textphone** service on **0845 000 0200**.

If you would like to speak to someone in **Welsh**, please ring **0845 010 0300**, between **8.00 am and 6.00 pm, Monday to Friday**.

All calls are charged at the local rate within the UK. Charges may differ for mobile phones.

Other notices on this or related subjects

[700 The VAT Guide](#)

[727 Retail schemes](#)

[727/4 Retail schemes: How to work the Apportionment schemes](#)

[727/5 Retail schemes: How to work the Direct Calculation schemes](#)

1. Zero-rating young children's clothing and footwear

1.1 What is this notice about?

This notice explains when supplies of children's clothing and footwear can be zero-rated.

1.2 Who should read it?

It is intended for those who design, manufacture and sell, either as wholesaler or retailer, items of children's clothing.

1.3 What are the conditions for zero-rating?

You may zero-rate your supply when **all** of the following four conditions are met:

- it must be an article of clothing or footwear
- it must not be made of fur
- it must be designed for young children and
- it must only be suitable for young children.

1.4 How do I decide whether all the conditions are met?

The best way is to consider them one at a time as follows:

Step	Ask yourself...	This section will help you decide
1	Is it an article of clothing or footwear?	2
2	Is it made of fur?	3
3	Is it designed for young children?	4
4	Is it suitable only for young children?	5

2. Articles of clothing or footwear

2.1 Is it an article of clothing or footwear?

This is the first question you must answer. If the item is not an article of clothing or footwear it is standard-rated. If, having read the following section, you are satisfied that the item is an article of clothing or footwear you must also consider the other steps in paragraph 1.4 before you can zero-rate the article.

2.2 Articles of clothing

As well as all the obvious garments, “articles of clothing” include items such as hats, caps, braces, belts, garters and scarves. It also includes items that, although primarily designed as safety aids, such as cyclists’ tabards or sailors’ lifejackets, still have the form and function of clothing.

Articles of clothing do not include clothing accessories and items of haberdashery sold separately, or safety accessories which are not themselves clothing, such as:

- reflective arm bands or buoyancy aids
- fastenings such as buckles, buttons and zips

- badges, collars, cuffs, patches and other sew-on or iron-on items and
- hand muffs and ear muffs.

2.2.1 Baby clothing

Most items of baby wear, such as bonnets, booties and matinee jackets, can be clearly recognised as clothing, but the following less obvious items are also considered to be articles of clothing:

- bibs, including plastic bibs with a curved tray at the base
- hooded rain covers for pushchairs, provided they are suitable for the baby to wear as a rain cape when out of the pushchair
- nappies (and nappy liners), both disposable and re-usable, provided they are held out for sale appropriately
- babies' shawls, provided they are designed and held out as such
- padded sleeping garments, similar in construction to sleeping bags, but shaped at the neck and armholes or having sleeves and/or legs and
- towelling bathrobes designed with a hood or sleeves enabling the baby to be wrapped in them as a garment.

However, the following are **not** considered to be clothing and are standard-rated:

- pram and pushchair covers not designed to serve as rain capes outside the pram or chair
- disposable nappy material sold in a continuous roll from which individual nappies are cut
- "mother-and-baby" shawls intended to wrap around both mother and child and
- sleeping bags not designed with neck and arm holes or sleeves and/or legs.

2.3 Articles of footwear

Articles of footwear include:

- boots, shoes, sandals and slippers, even if they are designed for special purposes (such as ballet shoes or studded football boots) and

- ice-skating or roller-skating boots, with or without skating blades or rollers attached.

But not:

- blades or rollers sold on their own, or platform type roller skates for attaching to normal shoes and
- shoelaces, insoles, heel protectors and stick-on soles sold as separate items.

3. Items made of fur

3.1 Is it made of fur?

You must **standard-rate** any articles made wholly or partly of fur skin - that is any skin with fur, hair or wool attached.

Subject to the other tests at paragraph 1.4, you may zero-rate:

- articles made using artificial fur
- clothing made of rabbit skin, or sheep or lamb skin
- fur headgear, belts, gloves and footwear
- articles only trimmed with fur - unless the area of the trim is more than one fifth of the surface area or, if the garment is new, the cost to the manufacturer of the trimming is more than the cost of the material of the garment and
- fur lined boots.

4. Items designed for young children

4.1 Is it designed for young children?

After you have decided that the item is an article of clothing or footwear, and that it is not made of fur, you must then decide whether or not the item is **designed** for young children. This will normally be done either on the basis of the item's physical measurement or on the body size of the child it is intended to fit. But remember, before the garments can be zero-rated you must also satisfy the other conditions in paragraph 1.4.

4.2 Clothing

We will accept that garments are designed for young children provided they are at or within the tabled measurements below. These measurements are based on children up to the eve of their 14th birthday, as this is when the body dimensions begin to merge with those of the general adult population.

The garments should be measured on a flat surface, with creases smoothed out, buttons (or equivalent) fastened and any intended overlap in place. Chest measurements should normally be taken 2.5 cms (1") below the base of the armhole and multiplied by two. Similarly, waist measurements should be taken from one side of the fastened waistband to the other and multiplied by two.

Boys

Garment	Chest		Waist	
	104cms	41"		
Shirts	104cms	41"		
Knitwear	104cms	41"		
Jackets, waistcoats	109cms	43"		
Top coats, outerwear	114cms	44.5"		
Dresses				
Skirts*				
Trousers, shorts*			72cms	28.5"
Underwear, swimwear	88cms	34.5"	72cms	28.5"
Nightwear	105cms	41.5"	73cms	29"

Girls

Garment	Chest		Waist	
	105cms	41.5"		
Shirts	105cms	41.5"		
Knitwear	105cms	41.5"		
Jackets, waistcoats	110cms	43.5"		
Top coats,	115cms	45"		

outerwear				
Dresses	98cms	39.5"		
Skirts*			71cms	28"
Trousers, shorts*			71cms	28"
Underwear, swimwear	89cms	35"	71cms	28"
Nightwear	106cms	42"	72cms	28.5"

(* Those garments with elasticated waistbands should be measured at their full stretch. Those that have no fastening may be zero-rated up to a maximum stretched waist of 85 cms (33½") for boys and 90 cms (35½") for girls.)

Some products are normally judged by different criteria or measurements. The following garments are also accepted as being designed for young children.

Garment	Criteria/measurements
Lifejackets	Maximum body weight 52kgs (114 lbs)
Teen bras	Size 34B
Leotards/ body stockings/ full body swimsuits	Shoulder to crotch 70cms (27½")
Saris	422 cms x 104 cms (166" x 41½")
Lungis	156 cms x 94 cms (61½" x 37")
Tights	Waist-crotch-waist:-
lightweight 51 cms (20")-	heavyweight 56 cms (22")
Socks	Boys - shoe size 6½ girls/unisex - shoe size 5½

4.2.1 Larger sizes

If the above measurements are exceeded, the garments are still accepted as designed for young children if you can show that they are either:

- (a) designed to fit a body size no larger than those in paragraph 4.2.2 **or**
- (b) restricted by some other design feature to those under 14. You will have to be able to show to us that the body sizes you have used are appropriate to the under 14s and the garments produced are only suitable for that age group. You must let us know your specifications and reasoning and get our written agreement before you zero-rate your supplies.

4.2.2 Body measurements

If you can show that you have designed a garment for a person under 14 and the body measurements used are at, or below those in this table, you may zero-rate the resulting garment irrespective of its measurement, as long as it is only suitable for young children (see Section 5).

Body part measured	Boys		Girls	
	cm	in	cm	in
Height	163	64	161	63
Chest	84	33	85	33.5
Waist	70	27.5	69	27
Hips	85	33.5	90	35.5
Arm (shoulder to wrist)	59	23	57	22.5
Inside leg	77	30	76	30

4.2.3 One-size and stretch garments

You cannot zero-rate articles of clothing which are sold in one size only and that are suitable for both children and adults. Articles that stretch to fit, such as some sportswear, can be zero-rated provided the garment is designed to fit a body size in accordance with paragraph 4.2.2 or at its maximum stretch does not exceed the measurements in paragraph 4.2.

4.3 Footwear

We will accept that footwear is designed for young people when the following measurements are met:

Boys' shoes: up to and including size 6½.

Girls' court shoes (that is a low cut shoe without straps or other fastenings): up to (and including) size 3.

Other girls' shoes: up to (and including) size 3; and sizes 3½ to 5½ as long as the heel height does not exceed the sole depth by more than 4 cms (approx 1⅔ inches).

4.3.1 American and continental sizing equivalents

UK	American	Continental
Boys 6½	7 (unless 7½ is marked as equal to UK 6½)	40

Girls 3	4½	35½ (35 if no half sizes)
Girls 5½	7	38½ (38 if no half sizes)

4.3.2 Larger sizes

If you can show us that your products are designed exclusively for the under 14s **and** that they are held out for sale to this age group (see Section 5), you may be able to zero-rate bigger sizes, but you must contact us with your reasons and obtain our written agreement before doing so.

4.3.3 Unisex footwear

Most lines of footwear are designed for one sex or the other, either in overall construction or by the choice of colour and trim. You should zero-rate such footwear according to the rules relating to girls' or boys' footwear as appropriate.

True "unisex" footwear is as suitable for girls as it is boys and can only be zero-rated up to and including size 5½, the maximum size for girls' footwear.

4.3.4 Feet of differing sizes

Where a child has one foot significantly larger than the other or requires an unusually high heel for one foot, the pair of shoes can be zero-rated if the smaller shoe qualifies for the relief.

4.4 Hats and other headgear

Hats

Young children have proportionately larger heads than older persons and many children's hats will fit adults. However, you can still zero-rate hats (including caps and other items of headgear) which are suitable by design only for young children, for example babies' bonnets, school hats, or if they are clearly held out for sale for young children.

The following items have been accepted as falling within the relief:

- protective helmets (such as those for skateboarding or ice hockey) up to a maximum size of 59 cms as long as they are designed and marketed exclusively for children (see Section 5) and
- riding hats up to and including 6¾ (jockey skulls up to size 1) even if they are not held out for sale for children.

If you sell larger riding hats specifically for young children, you can zero-rate them as long as they are fitted, adapted or otherwise appropriate only for young children. For example, the range of riding hats for young children may be less sophisticated (in terms of design and appearance) than the adult range in the same sizes. If you think that the riding hats are eligible for the zero-rate, you must check with us first and get our written approval before zero-rating them.

All cycle helmets are zero-rated irrespective of size or how they are held out for sale.

Other headgear

Some articles worn on the head cannot be zero-rated even though they are for young children because they are accessories rather than clothing. This includes all articles that do not cover the whole head such as:

- alice bands
- hair ribbons and slides
- “scrunchies”
- sports and other headbands and
- sun visors and ear muffs.

Novelty hats, party hats and play hats made out of materials such as paper or plastic are not clothing but toys, and are standard-rated.

4.5 Belts, braces and other items

We accept belts, braces, neckties, gloves, garters, scarves, ruffs, collars and shirt frills as traditional items of clothing and they may be zero-rated irrespective of size as long as they are held out for sale for the under 14s only (see Section 5).

5. Items suitable only for young children

5.1 Is it suitable only for young children?

This is the final step in deciding whether or not you can apply the zero-rate to your product. You must have addressed the previous steps detailed in paragraph 1.4 before considering the requirements of this section.

The final test that must be satisfied is that the articles must not be suitable for older persons. This can be met by ensuring that they are “held out for sale” for young children, which is your statement that the items are suitable only for young children and therefore unsuitable for older people.

5.2 What does “held out for sale” mean?

This is the way in which the article is labelled, packaged, displayed, invoiced or advertised. It includes any promotional items and the heading under which an article is listed in a catalogue, web page or price list.

You cannot necessarily zero-rate goods you sell simply because they were zero-rated when you bought them. How they are held out for sale will affect their liability.

Goods, which may qualify at the design stage, will fail the suitability test if they are labelled to fit sizes larger than those in Section 4, as will those labelled as suitable for age “13/14” and above, or by the ladies sizing system (8, 10, 12, and so on).

5.3 Zero rating by manufacturers

You must be able to show us that items qualify for zero-rating from product specification or other documentation. You must identify them appropriately on any labelling and packaging, and in any promotional material and on invoices.

5.4 Zero-rating by wholesalers and distributors

You must clearly identify the article as being only suitable for children on invoices and price lists. If the goods are on display they must clearly be identified and segregated. If you provide a catalogue, it must identify the articles as being for children, preferably in a separate children’s section. The identical product must not appear in both adult and children’s sections.

5.5 Zero-rating by mail order and internet suppliers

You must clearly identify the goods as being for young children in any price list, page, catalogue or other promotional material, preferably using a discrete children’s section. The potential purchaser should be in no doubt that the goods they are looking at are for young children. Identical goods must not appear in both adult and children’s sections.

5.6 Zero-rating by retailers

You can zero-rate clothing for young children only if it is clear from labels, signs, packaging, advertising, etc that it is intended for young children **and you either:**

- sell it from a shop, a separate department in a shop, or a separate section of a catalogue which caters exclusively for children **or**

- keep it apart from adult garments by selling it from separate shelves, racks, etc which are clearly marked up as “boys”, “girls” or “children’s”.

The extent to which you are able to isolate and identify young children’s clothing will vary depending upon the size and type of retail outlet you have. However, you should be able to show us that you have as good a system as is practical in your circumstances. The potential purchaser should not be left in any doubt that you are selling items for young children.

5.7 Impact on retail scheme calculations

Because the way you hold goods out for sale may affect their VAT liability, you will need to consider the operation of your retail scheme.

The paragraph on goods bought at one rate but sold at another in VAT Notice 727/4 Retail schemes: How to work the Apportionment schemes and Notice 727/5 Retail schemes: How to work the Direct Calculation schemes provides the essential information on this topic.

6. Uniforms

6.1 What about school uniforms?

There is no specific relief for items of school uniform, they are subject to the normal rules for children’s clothes.

However, if you supply garments under a specific agreement with a school catering exclusively for pupils under 14 years of age you may be able to apply the zero-rate beyond the garment measurements in paragraph 4.2.

The garments must be unique to that school by design, such as a prominent badge or piping in school colours, and held out for sale as being for that school only. If these conditions are met, you may apply the zero-rate irrespective of garment size.

The same principles apply to clothing items which form the uniform of other youth organisations catering exclusively for the under 14s, such as Beavers and Brownies.

7. Cloth kits

7.1 Can I zero-rate packaged kits for making children’s clothes?

Yes, but only if:

- the clothes themselves would be zero-rated

- the material is already cut to the pattern or the pattern is indelibly printed on the material and
- it is clear from the labelling or other promotional material that the made up garment is only suitable for young children.

8. Mixed supplies

8.1 What about mixed supplies?

If you sell play outfits consisting of both zero-rated clothing and incidental standard-rated items at an inclusive price (such as a cowboy suit with a toy gun or a policeman's uniform with toy handcuffs), the supply is seen as a single supply of children's clothing and you may zero-rate the whole sale.

Where the standard-rated element is not incidental, such as a babies gift set comprising of a bib and feeding cup, you will need to consider the liability of the supply in the light of the guidance in the paragraph on mixed supplies in VAT Notice 700 The VAT Guide.

9. Services

9.1 Cut, make and trim

You can zero-rate the process of making young children's clothing from cloth owned by someone else. Other processes may also be eligible for zero-rating if, after the work is finished, the processed article clearly becomes a child's garment which itself is normally zero-rated or the processed goods can only be incorporated in such an item.

9.2 Alteration, repair, embroidery and similar services

These services do not qualify for the relief as they are applied to goods that maintain their essential nature. For example, a blazer that has its sleeve length altered, its collar repaired, or a school badge embroidered on its pocket, is not sufficiently changed by that process to produce a new item.

However, if the blazer were changed into a waistcoat by the process, the service would have produced a new item. If this waistcoat meets the criteria for zero-rating then the process would also be zero-rated.

9.3 Hire or loan of children's clothing and footwear

You can zero-rate the hire or loan of any item that would itself be zero-rated. This include items such as bridesmaids' and page boys' outfits, fancy dress costumes and nappy hire services where the nappies are collected for laundering and replaced with fresh ones.

The separate supply of ice-skates, roller skates, ten-pin bowling shoes etc, is also eligible for the relief in accordance with the size criteria for footwear in paragraph 4.3. However, if you charge a single price for admission that also includes the loan of footwear, you must consider your supply in the light of the guidance on mixed supplies in VAT Notice 700 The VAT Guide.

Do you have any comments?

We would be pleased to receive any comments or suggestions you may have about this notice. Please write to:

**Social Exemptions and Zero Rates Team
Policy Group
4th Floor East
New Kings Beam House
22 Upper Ground
London
SE1 9PJ**

If you have a complaint or suggestion

If you have a complaint about our service, or a suggestion on how we can improve it, you should contact your local office or the port or airport. You will find the phone number under "Customs and Excise - complaints and suggestions" in your local phone book. Ask for a copy of our code of practice on complaints (Notice 1000). You will find further information on our website at <http://www.hmce.gov.uk>. If we cannot settle your complaint to your satisfaction, you can then ask the Adjudicator to look into it.

The Adjudicator, whose services are free, is an impartial referee whose recommendations are independent.

The address is:

**The Adjudicator's Office
Haymarket House
28 Haymarket
LONDON
SW1Y 4SP**

Notice 714 Zero Rating Young Children's Clothing and Footwear
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