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STATUTORY INSTRUMENTS

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**1995 No. 291**

**VALUE ADDED TAX**

**The Value Added Tax (Payments on Account) (Amendment) Order 1995**

*Approved by the House of Commons*

<i>Made</i>	- - - -	<i>8th February 1995</i>
<i>Laid before the House of Commons</i>	- - - -	<i>9th February 1995</i>
<i>Coming into force</i>	- -	<i>2nd March 1995</i>

Whereas the Treasury consider it desirable to make an order under section 28 of the Value Added Tax Act 1994<sup>(1)</sup> in the interests of the national economy:

Now, therefore, the Treasury, in exercise of the powers conferred on them by section 28(1), (2), (4) and (5) of the Value Added Tax Act 1994 and of all other powers enabling them in that behalf, hereby make the following Order:

**Citation and commencement**

1. This Order may be cited as the Value Added Tax (Payments on Account) (Amendment) Order 1995 and shall come into force on 2nd March 1995.

2. The Value Added Tax (Payments on Account) Order 1993<sup>(2)</sup> shall be amended as follows.

3. In article 4(1) for “1st October 1993” there shall be substituted “1st April each year”.

4. For article 4(2) there shall be substituted—

“(2) Where such a taxable person has a prescribed accounting period exceeding one month which begins on or after 2nd March each year and ends on or before 30th June each year, he shall be under a like duty to make payments on account also in respect of that prescribed accounting period.”

5. For article 5 there shall be substituted—

“5.—(1) Subject to paragraph (2) below and article 16 below, a taxable person falls within this article in any year if the total amount of tax which he was liable to pay in respect of the prescribed accounting periods the ends of which fell within the period of one year

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(1) 1994 c. 23.

(2) S.I.1993/2001.

ending on the last day of his last prescribed accounting period ending before the previous 1st December exceeded £2,000,000.

(2) Where in any year ending 30th November a prescribed accounting period of the taxable person did not begin on the first day or did not end on the last day of a month, the period of one year shall, for the purpose of this article, be regarded as having compromised those prescribed account periods which related to the tax periods ending within the year ending 30th November of that year to which references are shown in the certificate of registration issued to him.”

**6.** In article 6(1) for “31st May 1993” there shall be substituted “30th November of the previous year”.

**7.** For article 11(1)(a) there shall be substituted—

“(a) 1st October to 30th September in the basic period where he has a prescribed accounting period beginning in April in any year in which he is under a duty to make payments on account,”

**8.** For article 11(1)(b) there shall be substituted—

“(b) 1st November to 31st October in the basic period where he has a prescribed accounting period beginning in May in any year in which he is under a duty to make payments on account, and”

**9.** For article 11(1)(c) there shall be substituted—

“(c) 1st December to 30th November in the basic period where he has a prescribed accounting period beginning in June in any year in which he is under a duty to make payments on account.”

**10.** In article 16(1)(a) for “1st June 1993” there shall be substituted “1st December of the previous year”.

**11.** In article 16(1)(b) for “31st May 1993” there shall be substituted “30th November of the previous year”.

**12.** For article 16(2) there shall be substituted—

“(2) Where a relevant division has a prescribed accounting period exceeding one month which begins on or after 2nd March each year and ends on or before 30th June each year, the body corporate shall be under a like duty to make payments on account also in respect of that prescribed accounting period.”

**13.** This Order shall not apply where there is a duty under The Value Added Tax (Payments on Account) Order 1993 to make a payment on account in respect of a prescribed accounting period beginning before 2nd March 1995.

8th February 1995

*Tim Wood*  
*Derek Conway*  
Two of the Lord Commissioners of Her  
Majesty’s Treasury

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## EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order, which is made under section 28 of the Value Added Tax Act 1994, amends the Value Added Tax (Payments on Account) Order 1993.

Provision is now made for the following periods to roll forward on an annual basis commencing on 2nd March 1995:

- (a) the basic period, which determines a taxable person's liability for inclusion in the payments on account scheme.
- (b) the reference period, which determines the amount of payments on account to be made, and
- (c) the periods in respect of which there is a duty to make payments on account.