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STATUTORY INSTRUMENTS

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**1990 No. 420**

**VALUE ADDED TAX**

**The Value Added Tax (Cash Accounting)  
(Amendment) Regulations 1990**

<i>Made</i>	- - - -	<i>2nd March 1990</i>
<i>Laid before the House of Commons</i>	- - - -	<i>9th March 1990</i>
<i>Coming into force</i>	- -	<i>1st April 1990</i>

The Commissioners of Customs and Excise, in exercise of the powers conferred upon them by sections 14(1) and 48(1) of, and paragraph 2(3A) of Schedule 7 to, the Value Added Tax Act 1983<sup>(1)</sup> and of all other powers enabling them in that behalf, hereby make the following Regulations:

1. These Regulations may be cited as the Value Added Tax (Cash Accounting) (Amendment) Regulations 1990 and shall come into force on 1st April 1990.
2. The Value Added Tax (Cash Accounting) Regulations 1987<sup>(2)</sup> shall be amended in accordance with the following provisions of these Regulations.
3. For sub-paragraph (b) of regulation 4(1) there shall be substituted the following —
  - “(b) he has made all returns which he is required to make, and has —
    - (i) paid to the Commissioners all such sums shown as due on those returns and on any assessments made either under Schedule 7 to the Act or under section 21 of the Finance Act 1985<sup>(3)</sup>; or
    - (ii) agreed an arrangement with the Commissioners, where the outstanding amount of such sums as are referred to in (i) above does not exceed £1,000, for such amount as is outstanding to be paid in instalments over a specified period; and”.
4. In regulation 6 —
  - (a) in paragraph (2), for the words from “shall” to “years” there shall be substituted the words “may, subject to the provisions of regulation 10 of these Regulations, remain in the scheme”;

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(1) 1983 c. 55; section 14 was amended by, and paragraph 2(3A) of Schedule 7 was inserted by, section 11 of the Finance Act 1987 (c. 16) section 48(1) defines “the Commissioners” as meaning the Commissioners of Customs and Excise and “regulations” as meaning regulations made by the Commissioners.

(2) S.I. 1987/1427

(3) 1985 c. 54

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**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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(b) in sub-paragraph (b) of paragraph (2), between the words “next” and “accounting” there shall be inserted the word “prescribed”; and

(c) after paragraph (2) there shall be inserted the following —

“(3) An authorised person may withdraw from the scheme where—

(i) he derives no benefit from remaining in the scheme, or

(ii) he is unable, by reason of his accounting system, to comply with the requirements of the scheme,

and following written notification of that fact by him to the Commissioners they shall terminate his authorisation at the end of the prescribed accounting period in which such notification is received by them.”

New King’s Beam House,  
22 Upper Ground,  
London SE1 9PJ  
2nd March 1990

*Diana Seammen*  
Commissioner of Customs and Excise

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## EXPLANATORY NOTE

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

These Regulations which come into force on 1st April 1990 amend the Value Added Tax (Cash Accounting) Regulations 1987 (S.I.1987/1427) (“the principal regulations”).

Regulation 3 amends regulation 4(1) of the principal regulations, which governs the conditions of eligibility for joining the cash accounting scheme. The amendment makes eligible persons who owe amounts of tax, surcharges, penalties or interest to the Commissioners. Provided that those amounts are not in excess of £1000 and an agreement has been reached with the Commissioners for settling that debt over a period of time such a person is now eligible to apply to join the scheme.

Regulation 4 amends regulation 6 of the principal regulations, which governs the conditions whereby a person may leave the cash accounting scheme. An authorised person is no longer required to remain in the scheme for a minimum of two years. Where he derives no benefit from membership or his accounting system cannot provide for compliance with the requirements of the scheme then provided he notifies the Commissioners he may leave the scheme at the end of the prescribed accounting period in which notification is received.