
EXPLANATORY NOTE

(This note is not part of the Order)

This Order, which is made under section 38C of the Value Added Tax Act 1983 (c. 55), revokes and replaces the Value Added Tax (Payments on Account) Order 1992 (S.I.1992/1510) which did not come into force. It provides that certain taxable persons shall, in respect of each of their tax periods beginning on or after 2nd September 1992, make payments on account of any tax they may become liable to pay.

The Order applies to a taxable person whose VAT liability in the period of one year specified in article 5 (which will normally be a year ending in January to March 1991) exceeded £2,000,000, unless in the year immediately preceding and in the year immediately following that period that liability did not exceed £2,000,000.

Article 6 provides that the payments are to be made monthly but special provision is made in article 7 for taxable persons who have tax periods which do not start on the first, or end on the last, day of the month.

Calculation of the payments is determined in accordance with articles 8, 9 and 10 but provision is made in article 11 for reduction of payments in circumstances described in that article.

Special provision is made for the application of the Order in relation to a body corporate whose VAT registration is in the names of divisions under section 31 of the Value Added Tax Act 1983 (article 12) and to bodies corporate which are treated as members of a group under section 29 of that Act (article 13).