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STATUTORY INSTRUMENTS

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**1992 No. 1844**

**VALUE ADDED TAX**

**The Value Added Tax (Payments on Account) (No. 2) Regulations 1992**

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| <i>Made</i>                             | - - - - | <i>24th July 1992</i>   |
| <i>Laid before the House of Commons</i> | - - - - | <i>28th July 1992</i>   |
| <i>Coming into force</i>                | - -     | <i>19th August 1992</i> |

The Commissioners of Customs and Excise, in exercise of the powers conferred on them by sections 38C(3), (4) and (5) and 48(1) of the Value Added Tax Act 1983(1) 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 (Payments on Account) (No. 2) Regulations 1992 and shall come into force on 19th August 1992.
2. In these Regulations “payments on account” has the same meaning as in the Value Added Tax (Payments on Account) (No. 2) Order 1992(2).
3. The Value Added Tax (Payments on Account) Regulations 1992(3) are hereby revoked.
4. Save in a case to which regulation 7 below applies, the Commissioners shall give to a taxable person who is under a duty to make payments on account notification in writing of—
  - (a) the amounts that he is under a duty to pay;
  - (b) how those amounts have been calculated; and
  - (c) the times for payment of those amounts.
5. Save in a case to which regulation 7 below applies, if in respect of a prescribed accounting period the total amount of the payments on account made by the taxable person exceeds the amount of tax due from him in respect of that period, the amount of the excess shall be paid to him by the Commissioners if and to the extent that it is not required by section 21 of the Finance Act 1988(4) to be set against any sum which he is liable to pay to them.

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(1) 1983 c. 55; section 38C was inserted by section 6 of the Finance Act 1992 (c. 20); 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. 1992/1668; see article 4 of the Order.  
(3) S.I. 1992/1536.  
(4) 1988 c. 39.

6. Where a taxable person fails to make a payment on account by the last day by which he is required to make it, that payment on account shall be recoverable as if it were tax due from him.

7.—(1) In this regulation—

(a) “body corporate ” means a body corporate which is under a duty to make payments on account by virtue of article 12 of the Value Added Tax (Payments on Account) (No. 2) Order 1992; and

(b) “relevant division ” means a division of a body corporate by reference to the business of which that body corporate is under such a duty.

(2) The Commissioners shall give to a relevant division notification in writing of—

(a) the amounts of the payments on account that the body corporate is under a duty to make by reference to the business of that division;

(b) how those amounts have been calculated; and

(c) the times for payment of those amounts.

(3) If in respect of a prescribed accounting period the total amount of the payments on account made by a body corporate by reference to the business of a particular relevant division exceeds the amount of tax due from the body corporate in respect of that period by reference to that business, the amount of the excess shall be paid to the body corporate through that division by the Commissioners if and to the extent that it is not required by section 21 of the Finance Act 1988 to be set against any sum which the body corporate is liable to pay to them.

(4) Section 21 of the Finance Act 1988 shall not require any amount which is due to be paid by the Commissioners to a body corporate under paragraph (3) above by reference to the business of a particular relevant division to be set against any sum due from the body corporate otherwise than by reference to that business or to the liabilities of the body corporate arising in connection with that division.

New King’s Beam House 22 Upper Ground  
LONDON SE1 9PJ  
24th July 1992

*E. Woods*  
Commissioner of Customs and Excise

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## EXPLANATORY NOTE

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

These Regulations contain provisions supplementary to the Value Added Tax (Payments on Account) (No. 2) Order 1992 (S.I. 1992/1668). They revoke and replace the Value Added Tax (Payments on Account) Regulations 1992 (S.I. 1992/1536). They provide for—

- (a) notification to a taxable person who is required to make payments on account under the Order (regulation 4),
- (b) payment of the excess to a taxable person where the payments on account made in respect of a period exceed the tax due (regulation 5),
- (c) recovery of payments on account (regulation 6), and
- (d) the application of these Regulations 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 (regulation 7).