

*Order made by the Treasury, laid before the House of Commons under section 45(3) of the Value Added Tax Act 1983, for approval by a resolution of that House within twenty-eight days beginning with the day on which the Order was made, subject to extension for periods of dissolution, prorogation or adjournment for more than four days.*

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## STATUTORY INSTRUMENTS

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# 1993 No. 2001

## VALUE ADDED TAX

### The Value Added Tax (Payments on Account) Order 1993

<i>Made</i>	- - - -	<i>9th August 1993</i>
<i>Laid before the House of Commons</i>	- - - -	<i>9th August 1993</i>
<i>Coming into force</i>	- -	<i>2nd September 1993</i>

Whereas the Treasury consider it desirable to make an order under section 38C of the Value Added Tax Act 1983<sup>(1)</sup> in the interests of the national economy:

Now, therefore, the Treasury, in exercise of the powers conferred on them by section 38C(1), (2), (4) and (5) of the Value Added Tax Act 1983 and of all other powers enabling them in that behalf, hereby make the following Order:

#### Citation and commencement **U.K.**

1. This Order may be cited as the Value Added Tax (Payments on Account) Order 1993 and shall come into force on 2nd September 1993.

#### Commencement Information

II Art. 1 in force at 2.9.1993, see [art. 1](#)

#### Interpretation **U.K.**

2.—(1) In this Order—

“the Act” means the Value Added Tax Act [<sup>F1</sup>1994];

“the basic period” means, in relation to a taxable person falling within article 5 or 6 below, the period of one year in which there ended the prescribed accounting periods in respect of which

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(1) 1983 c. 55; section 38C was inserted by section 6 of the Finance Act 1992 (c. 20).

his liability to pay a total amount of tax exceeding [<sup>F2</sup>the figure specified in article 5(1) or 6(1)] caused him to become such a taxable person;

“Controller” means the Controller, Customs and Excise, Value Added Tax Central Unit;

<sup>F3</sup> .....

“reference period” has the meaning ascribed to it in article 11(1) below.

(2) Any reference in articles 13 to 15 below to the total amount of tax by reference to which a taxable person’s payments on account fall to be calculated being “reduced accordingly” or “increased accordingly” is in each case a reference to a reduction or increase of the same proportion as the difference between the total amount of tax by reference to which his payments on account are currently calculated and the total amount of tax, <sup>F4</sup>... which he was, or (as the case may be) which the Commissioners are satisfied that he will be, liable to pay in respect of the prescribed accounting periods the ends of which fall within the year referred to in the relevant provision of the article in question.

[<sup>F5</sup>(3) The last reference in paragraph (2) to the “total amount of tax” includes only tax that is required to be, or has been, accounted for on a return for a prescribed accounting period.]

#### Textual Amendments

- F1** Word in art. 2 substituted (1.6.1996) by The Value Added Tax (Payments on Account) (Amendment) Order 1996 (S.I. 1996/1196), arts. 1, **3(a)**
- F2** Words in art. 2(1) substituted (1.6.2011) by The Value Added Tax (Payments on Account) (Amendment) Order 2011 (S.I. 2011/21), arts. 1(2), **2(a)**
- F3** Words in art. 2 omitted (1.6.1996) by virtue of The Value Added Tax (Payments on Account) (Amendment) Order 1996 (S.I. 1996/1196), arts. 1, **3(b)**
- F4** Words in art. 2(2) omitted (31.12.2020) by virtue of The Value Added Tax (Miscellaneous Amendments, Northern Ireland Protocol and Savings and Transitional Provisions) (EU Exit) Regulations 2020 (S.I. 2020/1545), regs. 1, **25(2)** (with regs. 109-131); S.I. 2020/1641, reg. 2, Sch.
- F5** Art. 2(3) inserted (31.12.2020) by The Value Added Tax (Miscellaneous Amendments, Northern Ireland Protocol and Savings and Transitional Provisions) (EU Exit) Regulations 2020 (S.I. 2020/1545), regs. 1, **25(3)** (with regs. 109-131); S.I. 2020/1641, reg. 2, Sch.

#### Commencement Information

- I2** Art. 2 in force at 2.9.1993, see **art. 1**

[<sup>F6</sup>**Supplies to which section 55A(6) of the Act applies (customers to account for tax on supplies of a kind used in missing trader intra-community fraud) U.K.**

**2A.** Where, on application, a taxable person satisfies the Commissioners that, by reason solely of any amount that he is liable to pay by virtue of section 55A(6) of the Act—

- (a) he falls within article 5 or 6 below, or
- (b) the amount of each of his payments on account is increased,

then, with effect from the date of the approval by the Commissioners of the application, any amount that he is so liable to pay by virtue of that section shall be disregarded for the purposes of those articles or, as the case may be, the calculation of the amount of each of his payments on account.]

#### Textual Amendments

- F6** Art. 2A inserted (1.6.2007) by [The Value Added Tax \(Payments on Account\) \(Amendment\) Order 2007 \(S.I. 2007/1420\)](#), arts. 1, 2

#### Revocation **U.K.**

3.—(1) Subject to paragraph (2) below, the Value Added Tax (Payments on Account) (No. 2) Order 1992(2) is hereby revoked.

(2) The duty under the Value Added Tax (Payments on Account) (No. 2) Order 1992 of any taxable person to make a payment on account in respect of a prescribed accounting period beginning before 2nd September 1993 shall not be affected by the revocation of that Order which shall continue to have effect in relation to any such payment on account.

#### Commencement Information

- I3** Art. 3 in force at 2.9.1993, see [art. 1](#)

#### Payments on account **U.K.**

4.—(1) A taxable person falling within article 5 or 6 below shall be under a duty to pay, on account of any tax he may become liable to pay in respect of each prescribed accounting period exceeding one month beginning on or after [<sup>F7</sup>1st April each year], amounts (in this Order referred to as “payments on account”) determined in accordance with this Order at times so determined, provided that in the case of a taxable person falling within article 6 below there shall be no duty to pay such amounts in respect of a prescribed accounting period other than one beginning after the basic period.

[<sup>F8</sup>(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.]

#### Textual Amendments

- F7** Words in [art. 4\(1\)](#) substituted (2.3.1995) by [The Value Added Tax \(Payments on Account\) \(Amendment\) Order 1995 \(S.I. 1995/291\)](#), arts. 1, 3 (with [art. 13](#))
- F8** [Art. 4\(2\)](#) substituted (2.3.1995) by [The Value Added Tax \(Payments on Account\) \(Amendment\) Order 1995 \(S.I. 1995/291\)](#), arts. 1, 4 (with [art. 13](#))

#### Commencement Information

- I4** Art. 4 in force at 2.9.1993, see [art. 1](#)

#### Persons to whom this Order applies **U.K.**

[<sup>F9</sup>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 ending on the

last day of his last prescribed accounting period ending before the previous 1st December exceeded [<sup>F10</sup>£2,300,000].

(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 comprised 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.—**(1) Subject to paragraph (2) below and article 16 below, a taxable person who does not fall within article 5 above shall fall within this article 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 any one period of one year ending on the last day of a prescribed accounting period of his ending after [<sup>F11</sup>30th November of the previous year] exceeded [<sup>F12</sup>£2,300,000].

(2) Where in the period of the year referred to in paragraph (1) above 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, that period of one year shall, for the purpose of this article, be regarded as having comprised those prescribed accounting periods which related to the tax periods ending within that period of one year to which references are shown in the certificate of registration issued to him.

#### Textual Amendments

- F9** Art. 5 substituted (2.3.1995) by [The Value Added Tax \(Payments on Account\) \(Amendment\) Order 1995 \(S.I. 1995/291\)](#), arts. 1, **5** (with art. 13)
- F10** Sum in art. 5(1) substituted (1.12.2011) by [The Value Added Tax \(Payments on Account\) \(Amendment\) Order 2011 \(S.I. 2011/21\)](#), arts. 1(2), **2(b)**
- F11** Words in art. 6(1) substituted (2.3.1995) by [The Value Added Tax \(Payments on Account\) \(Amendment\) Order 1995 \(S.I. 1995/291\)](#), arts. 1, **6** (with art. 13)
- F12** Sum in art. 6(1) substituted (1.6.2011) by [The Value Added Tax \(Payments on Account\) \(Amendment\) Order 2011 \(S.I. 2011/21\)](#), arts. 1(2), **2(c)**

#### Commencement Information

- I5** Art. 5 in force at 2.9.1993, see [art. 1](#)
- I6** Art. 6 in force at 2.9.1993, see [art. 1](#)

### Cessation of duty to make payments on account **U.K.**

7. If the total amount of tax which a taxable person who is under a duty to make payments on account was liable to pay in respect of the prescribed accounting periods the ends of which fell within any one period of one year ending after the end of the basic period was less than [<sup>F13</sup>£1,800,000], then, with effect from the date of the written approval by the Commissioners of a written application by the taxable person to that effect, he shall not be under a duty to make payments on account.

#### Textual Amendments

- F13** Sum in art. 7 substituted (1.6.2011) by [The Value Added Tax \(Payments on Account\) \(Amendment\) Order 2011 \(S.I. 2011/21\)](#), arts. 1(2), **2(d)**

#### Commencement Information

- I7** Art. 7 in force at 2.9.1993, see [art. 1](#)

**Time for payment** **U.K.**

8. [<sup>F14</sup>Subject to article 9 below,] in respect of each prescribed accounting period a payment on account shall be made to the Controller not later than—

- (a) the last day of the month next following the end of the first complete month included therein, and
- (b) the last day of the month next following the end of the second complete month included therein.

9. <sup>F15</sup>... Where a prescribed accounting period does not begin on the first day or does not end on the last day of a month—

- (a) the first payment on account shall be made not later than the last day of the month next following the end of the first complete month included therein, and
- (b) the second payment on account shall be made not later than the last day of the month next following the end of the second complete month included therein,

except that where—

- (i) a prescribed accounting period does not comprise more complete months than one, the first payment on account shall be made not later than the last day of that month and the second payment on account shall be made not later than the end of the prescribed accounting period, or
- (ii) a prescribed accounting period comprises an incomplete month followed by two complete months, the first payment on account shall be made not later than the end of the first complete month and the second payment on account shall be made not later than the end of the second complete month, or
- (iii) a prescribed accounting period comprises an incomplete month followed by two complete months and an incomplete month, the first payment on account shall be made not later than the end of the first complete month and the second payment on account shall be made not later than the end of the second complete month.

<sup>F16</sup>10. ....

**Textual Amendments**

**F14** Words in art. 8 substituted (1.6.1996) by [The Value Added Tax \(Payments on Account\) \(Amendment\) Order 1996 \(S.I. 1996/1196\)](#), arts. 1, 4

**F15** Words in art. 9 omitted (1.6.1996) by virtue of [The Value Added Tax \(Payments on Account\) \(Amendment\) Order 1996 \(S.I. 1996/1196\)](#), arts. 1, 5

**F16** Art. 10 omitted (1.6.1996) by virtue of [The Value Added Tax \(Payments on Account\) \(Amendment\) Order 1996 \(S.I. 1996/1196\)](#), arts. 1, 6

**Commencement Information**

**I8** Art. 8 in force at 2.9.1993, see [art. 1](#)

**I9** Art. 9 in force at 2.9.1993, see [art. 1](#)

**Calculation of the payments on account** **U.K.**

11.—(1) Subject to paragraph (2) below and articles [<sup>F17</sup>12A], 13, 14 and 15 below, the amount of each payment on account to be made by a taxable person who falls within article 5 above shall equal [<sup>F18</sup>one twenty-fourth] of the total amount of tax, <sup>F19</sup>... which he was liable to pay in respect

of the prescribed accounting periods the ends of which fell within the period (in this Order referred to as “the reference period”)—

- [<sup>F20</sup>(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,]
- [<sup>F21</sup>(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]
- [<sup>F22</sup>(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.]

[<sup>F23</sup>(1A) The reference in paragraph (1) to the “total amount of tax” includes only tax that is required to be, or has been, accounted for on a return for a prescribed accounting period.]

(2) Where in the period of the year mentioned in sub-paragraph (a), (b) or (c) of paragraph (1) above 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 reference period shall, for the purpose of paragraph (1), be regarded as having comprised those prescribed accounting periods which related to the tax periods ending within the period of the year mentioned in sub-paragraph (a), (b) or (c) of paragraph (1) as appropriate to which references are shown in the certificate of registration issued to him.

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[<sup>F24</sup>(1)] Subject to articles [<sup>F25</sup>12A], 13, 14 and 15 below, the amount of each payment on account to be made by a taxable person who falls within article 6 above shall equal [<sup>F26</sup>one twenty-fourth] of the total amount of tax, <sup>F27</sup>... which he was liable to pay in respect of the prescribed accounting periods the ends of which fell within the basic period.

[<sup>F28</sup>(2) The reference in paragraph (1) to the “total amount of tax” includes only tax that is required to be, or has been, accounted for on a return for a prescribed accounting period.]

[<sup>F29</sup>12A.—(1) Subject to paragraph (5) below a taxable person who is under a duty to make payments on account may instead of paying the amount calculated in accordance with paragraphs 11 or 12 above elect to pay an amount equal to his liability to VAT <sup>F30</sup>... for the preceding month.

[<sup>F31</sup>(1A) The reference in paragraph (1) to “liability to VAT for the preceding month” includes only tax that is required to be, or has been, accounted for on a return for a prescribed accounting period.]

(2) A person making an election under paragraph (1) above shall notify the Commissioners in writing of—

- (a) the election, and
- (b) the date (being a date not less than 30 days after the date of the notification) on which it is to take effect.

(3) Subject to paragraph (4) below, an election under paragraph (1) above shall continue to have effect until a date notified by the taxable person in writing to the Commissioners, which date shall not be earlier than the first anniversary of the date on which the election took effect.

(4) Where the Commissioners are satisfied that an amount paid by a person who has elected in accordance with paragraph (1) above is less than the amount required to be paid by virtue of that paragraph the Commissioners may notify the taxable person in writing that his election shall cease to have effect from a date specified in the notification.

(5) A person may not make an election under paragraph (1) above within 12 months of the date on which any previous election made by him ceased to have effect by virtue of paragraph (4) above.]

**13.—**[<sup>F32</sup>(1)] If—

- (a) the total amount of tax, <sup>F33</sup>... which the taxable person was liable to pay in respect of the prescribed accounting periods the ends of which fell within any one period of one year—
  - (i) in the case of a taxable person who falls within article 5 above, ending after the end of his reference period was less than 80 per cent. of the total amount of tax relevant in his case under article 11 above, or
  - (ii) in the case of a taxable person who falls within article 6 above, ending after the end of the basic period was less than 80 per cent. of the total amount of tax referred to in article 12, or
- (b) where such a period of one year has not ended, the Commissioners are satisfied that the total amount of tax, <sup>F34</sup>... which the taxable person will be liable to pay in respect of the prescribed accounting periods the ends of which fall within that year will be less than 80 per cent. of the total amount of tax referred to in sub-paragraph (i) or (ii) (as the case may be) of paragraph (a) above,

then, with effect from the date of the written approval by the Commissioners of a written application by the taxable person to that effect, but subject to article 14 below, the total amount of tax by reference to which his payments on account fall to be calculated shall be reduced accordingly and the amount of each payment on account beginning with the first payment on account which falls to be made after the date of that approval shall equal [<sup>F35</sup>one twenty-fourth] of the reduced amount.

[<sup>F36</sup>(2) In paragraph (1), the first reference to the “total amount of tax” in each of sub-paragraphs (a) and (b) includes only tax that is required to be, or has been, accounted for on a return for a prescribed accounting period]

**14.—**[<sup>F37</sup>(1)] If the total amount of tax, <sup>F38</sup>... which the taxable person was liable to pay in respect of the prescribed accounting periods the ends of which fell within any one period of one year—

- (a) in the case of a taxable person who falls within article 5 above, ending after the end of his reference period exceeded by 20 per cent. or more the total amount of tax by reference to which his payments on account are currently calculated, or
- (b) in the case of a taxable person who falls within article 6 above, ending after the end of the basic period exceeded by 20 per cent. or more the total amount of tax by reference to which his payments on account are currently calculated,

then, with effect from the end of the period of one year first mentioned, but subject to article 15 below, the total amount of tax by reference to which his payments on account fall to be calculated shall be increased accordingly and the amount of each payment on account beginning with the first payment on account which falls to be made after the end of that period of one year shall equal [<sup>F39</sup>one twenty-fourth] of the increased amount.

[<sup>F40</sup>(2) The first reference to the “total amount of tax” in paragraph (1) includes only tax that is required to be, or has been, accounted for on a return for a prescribed accounting period.]

**15.—**[<sup>F41</sup>(1)] Where the payments on account payable by a taxable person have been increased by virtue of article 14 above and—

- (a) the total amount of tax, <sup>F42</sup>... which he was liable to pay in respect of the prescribed accounting periods the ends of which fell within any one period of one year ending after such increase has taken effect was less than 80 per cent. of the total amount of tax by reference to which his payments on account are currently calculated, or
- (b) where such a period of one year has not ended, the Commissioners are satisfied that the total amount of tax, <sup>F43</sup>... which he will be liable to pay in respect of the prescribed

accounting periods the ends of which fall within that year will be less than 80 per cent. of the total amount of tax by reference to which his payments on account are currently calculated,

then, with effect from the date of the written approval by the Commissioners of a written application by the taxable person to that effect, the total amount of tax by reference to which his payments on account fall to be calculated shall be reduced accordingly and the amount of each payment on account beginning with the first payment on account which falls to be made after the date of that approval shall equal [<sup>F44</sup>one twenty-fourth] of the reduced amount.

[<sup>F45</sup>(2) In paragraph (1), the references to the “total amount of tax” in each of sub-paragraphs (a) and (b) includes only tax that is required to be, or has been, accounted for on a return for a prescribed accounting period.]

### Textual Amendments

- F17** Word in art. 11 inserted (1.6.1996) by [The Value Added Tax \(Payments on Account\) \(Amendment\) Order 1996 \(S.I. 1996/1196\)](#), arts. 1, 7
- F18** Words in art. 11 substituted (1.6.1996) by [The Value Added Tax \(Payments on Account\) \(Amendment\) Order 1996 \(S.I. 1996/1196\)](#), arts. 1, 7
- F19** Words in art. 11(1) omitted (31.12.2020) by virtue of [The Value Added Tax \(Miscellaneous Amendments, Northern Ireland Protocol and Savings and Transitional Provisions\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1545\)](#), regs. 1, **25(2)** (with regs. 109-131); S.I. 2020/1641, reg. 2, Sch.
- F20** Art. 11(1)(a) substituted (2.3.1995) by [The Value Added Tax \(Payments on Account\) \(Amendment\) Order 1995 \(S.I. 1995/291\)](#), arts. 1, 7 (with art. 13)
- F21** Art. 11(1)(b) substituted (2.3.1995) by [The Value Added Tax \(Payments on Account\) \(Amendment\) Order 1995 \(S.I. 1995/291\)](#), arts. 1, 8 (with art. 13)
- F22** Art. 11(1)(c) substituted (2.3.1995) by [The Value Added Tax \(Payments on Account\) \(Amendment\) Order 1995 \(S.I. 1995/291\)](#), arts. 1, 9 (with art. 13)
- F23** Art. 11(1A) inserted (31.12.2020) by [The Value Added Tax \(Miscellaneous Amendments, Northern Ireland Protocol and Savings and Transitional Provisions\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1545\)](#), regs. 1, **25(4)** (with regs. 109-131); S.I. 2020/1641, reg. 2, Sch.
- F24** Art. 12 renumbered as art. 12(1) (31.12.2020) by [The Value Added Tax \(Miscellaneous Amendments, Northern Ireland Protocol and Savings and Transitional Provisions\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1545\)](#), regs. 1, **25(5)(a)** (with regs. 109-131); S.I. 2020/1641, reg. 2, Sch.
- F25** Word in art. 12 inserted (1.6.1996) by [The Value Added Tax \(Payments on Account\) \(Amendment\) Order 1996 \(S.I. 1996/1196\)](#), arts. 1, 8
- F26** Words in art. 12 substituted (1.6.1996) by [The Value Added Tax \(Payments on Account\) \(Amendment\) Order 1996 \(S.I. 1996/1196\)](#), arts. 1, 8
- F27** Words in art. 12 omitted (31.12.2020) by virtue of [The Value Added Tax \(Miscellaneous Amendments, Northern Ireland Protocol and Savings and Transitional Provisions\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1545\)](#), regs. 1, **25(2)** (with regs. 109-131); S.I. 2020/1641, reg. 2, Sch.
- F28** Art. 12(2) inserted (31.12.2020) by [The Value Added Tax \(Miscellaneous Amendments, Northern Ireland Protocol and Savings and Transitional Provisions\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1545\)](#), regs. 1, **25(5)(b)** (with regs. 109-131); S.I. 2020/1641, reg. 2, Sch.
- F29** Art. 12A inserted (1.6.1996) by [The Value Added Tax \(Payments on Account\) \(Amendment\) Order 1996 \(S.I. 1996/1196\)](#), arts. 1, 10
- F30** Words in art. 12A(1) omitted (31.12.2020) by virtue of [The Value Added Tax \(Miscellaneous Amendments, Northern Ireland Protocol and Savings and Transitional Provisions\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1545\)](#), regs. 1, **25(2)** (with regs. 109-131); S.I. 2020/1641, reg. 2, Sch.
- F31** Art. 12A(1A) inserted (31.12.2020) by [The Value Added Tax \(Miscellaneous Amendments, Northern Ireland Protocol and Savings and Transitional Provisions\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1545\)](#), regs. 1, **25(6)** (with regs. 109-131); S.I. 2020/1641, reg. 2, Sch.



- F32** Art. 13 renumbered as art. 13(1) (31.12.2020) by The Value Added Tax (Miscellaneous Amendments, Northern Ireland Protocol and Savings and Transitional Provisions) (EU Exit) Regulations 2020 (S.I. 2020/1545), regs. 1, **25(7)(a)** (with regs. 109-131); S.I. 2020/1641, reg. 2, Sch.
- F33** Words in art. 13(a) omitted (31.12.2020) by virtue of The Value Added Tax (Miscellaneous Amendments, Northern Ireland Protocol and Savings and Transitional Provisions) (EU Exit) Regulations 2020 (S.I. 2020/1545), regs. 1, **25(2)** (with regs. 109-131); S.I. 2020/1641, reg. 2, Sch.
- F34** Words in art. 13(b) omitted (31.12.2020) by virtue of The Value Added Tax (Miscellaneous Amendments, Northern Ireland Protocol and Savings and Transitional Provisions) (EU Exit) Regulations 2020 (S.I. 2020/1545), regs. 1, **25(2)** (with regs. 109-131); S.I. 2020/1641, reg. 2, Sch.
- F35** Words in art. 13 substituted (1.6.1996) The Value Added Tax (Payments on Account) (Amendment) Order 1996 (S.I. 1996/1196), arts. 1, **9**
- F36** Art. 13(2) inserted (31.12.2020) by The Value Added Tax (Miscellaneous Amendments, Northern Ireland Protocol and Savings and Transitional Provisions) (EU Exit) Regulations 2020 (S.I. 2020/1545), regs. 1, **25(7)(b)** (with regs. 109-131); S.I. 2020/1641, reg. 2, Sch.
- F37** Art. 14 renumbered as art. 14(1) (31.12.2020) by The Value Added Tax (Miscellaneous Amendments, Northern Ireland Protocol and Savings and Transitional Provisions) (EU Exit) Regulations 2020 (S.I. 2020/1545), regs. 1, **25(8)(a)** (with regs. 109-131); S.I. 2020/1641, reg. 2, Sch.
- F38** Words in art. 14 omitted (31.12.2020) by virtue of The Value Added Tax (Miscellaneous Amendments, Northern Ireland Protocol and Savings and Transitional Provisions) (EU Exit) Regulations 2020 (S.I. 2020/1545), regs. 1, **25(2)** (with regs. 109-131); S.I. 2020/1641, reg. 2, Sch.
- F39** Words in art. 14 substituted (1.6.1996) The Value Added Tax (Payments on Account) (Amendment) Order 1996 (S.I. 1996/1196), arts. 1, **9**
- F40** Art. 14(2) inserted (31.12.2020) by The Value Added Tax (Miscellaneous Amendments, Northern Ireland Protocol and Savings and Transitional Provisions) (EU Exit) Regulations 2020 (S.I. 2020/1545), regs. 1, **25(8)(b)** (with regs. 109-131); S.I. 2020/1641, reg. 2, Sch.
- F41** Art. 15 renumbered as art. 15(1) (31.12.2020) by The Value Added Tax (Miscellaneous Amendments, Northern Ireland Protocol and Savings and Transitional Provisions) (EU Exit) Regulations 2020 (S.I. 2020/1545), regs. 1, **25(9)(a)** (with regs. 109-131); S.I. 2020/1641, reg. 2, Sch.
- F42** Words in art. 15(a) omitted (31.12.2020) by virtue of The Value Added Tax (Miscellaneous Amendments, Northern Ireland Protocol and Savings and Transitional Provisions) (EU Exit) Regulations 2020 (S.I. 2020/1545), regs. 1, **25(2)** (with regs. 109-131); S.I. 2020/1641, reg. 2
- F43** Words in art. 15(b) omitted (31.12.2020) by virtue of The Value Added Tax (Miscellaneous Amendments, Northern Ireland Protocol and Savings and Transitional Provisions) (EU Exit) Regulations 2020 (S.I. 2020/1545), regs. 1, **25(2)** (with regs. 109-131); S.I. 2020/1641, reg. 2
- F44** Words in art. 15 substituted (1.6.1996) The Value Added Tax (Payments on Account) (Amendment) Order 1996 (S.I. 1996/1196), arts. 1, **9**
- F45** Art. 15(2) inserted (31.12.2020) by The Value Added Tax (Miscellaneous Amendments, Northern Ireland Protocol and Savings and Transitional Provisions) (EU Exit) Regulations 2020 (S.I. 2020/1545), regs. 1, **25(9)(b)** (with regs. 109-131); S.I. 2020/1641, reg. 2, Sch.

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#### Commencement Information

- I10** Art. 11 in force at 2.9.1993, see **art. 1**
- I11** Art. 12 in force at 2.9.1993, see **art. 1**
- I12** Art. 13 in force at 2.9.1993, see **art. 1**
- I13** Art. 14 in force at 2.9.1993, see **art. 1**
- I14** Art. 15 in force at 2.9.1993, see **art. 1**

#### Business carried on in divisions **U.K.**

16.—(1) Subject to paragraph (3) below, where the registration under the Act of a body corporate is and was throughout the prescribed accounting periods mentioned in article 5(1) or 6(1) above in the names of divisions under section 31(1) of the Act and those divisions are the same divisions,

that body corporate shall not be under a duty to make payments on account by virtue of falling within article 5 or 6 above but shall be under a duty to make payments on account by reference to the business of any division if the total amount of tax which it was liable to pay in respect of the prescribed accounting periods of that division the ends of which fell within the period of one year ending on the last day of—

- (a) that division’s last prescribed accounting period ending before [<sup>F46</sup>1st December of the previous year], or
- (b) a prescribed accounting period of that division ending after [<sup>F47</sup>30th November of the previous year],

and which was referable to the business of that division exceeded [<sup>F48</sup>the figure specified in article 5(1) or 6(1) respectively].

[<sup>F49</sup>(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.]

(3) Articles 5(2) and 6(2) above shall apply for the purposes of this article as if for the references therein to the taxable person there were substituted references to a relevant division.

(4) Where payments on account fall to be made under this article, they shall be calculated and made separately in the case of each relevant division as if it were a taxable person and shall be remitted to the Controller through that division.

(5) In relation to a body corporate to which this article applies, references in articles 7, 13, 14 and 15 above to—

- (a) the total amount of tax which a taxable person was or will be liable to pay shall be construed as references to the total amount of such tax referable to the business of a relevant division; and
- (b) an application by the taxable person shall be construed as references to an application by the division in respect of which the application is made.

(6) In this article “relevant division” means a division by reference to the business of which a body corporate is under a duty to make payments on account by virtue of paragraph (1) above.

#### Textual Amendments

- F46** Words in art. 16(1)(a) substituted (2.3.1995) by [The Value Added Tax \(Payments on Account\) \(Amendment\) Order 1995 \(S.I. 1995/291\)](#), arts. 1, **10** (with art. 13)
- F47** Words in art. 16(1)(b) substituted (2.3.1995) by [The Value Added Tax \(Payments on Account\) \(Amendment\) Order 1995 \(S.I. 1995/291\)](#), arts. 1, **11** (with art. 13)
- F48** Words in art. 16(1) substituted (1.6.2011) by [The Value Added Tax \(Payments on Account\) \(Amendment\) Order 2011 \(S.I. 2011/21\)](#), arts. 1(2), **2(e)**
- F49** Art. 16(2) substituted (2.3.1995) by [The Value Added Tax \(Payments on Account\) \(Amendment\) Order 1995 \(S.I. 1995/291\)](#), arts. 1, **12** (with art. 13)

#### Commencement Information

- I15** Art. 16 in force at 2.9.1993, see [art. 1](#)

### Groups of companies **U.K.**

17. This Order shall apply in relation to any bodies corporate which are treated as members of a group under [<sup>F50</sup>section 43] of the Act as if those bodies were one taxable person; and where there is a

duty to make a payment on account it shall be the responsibility of the representative member, except that in default of payment by the representative member it shall be the joint and several responsibility of each member of the group.

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**Textual Amendments**

**F50** Words in [art. 17](#) substituted (1.6.1996) by [The Value Added Tax \(Payments on Account\) \(Amendment\) Order 1996 \(S.I. 1996/1196\)](#), arts. 1, **11**

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**Commencement Information**

**I16** Art. 17 in force at 2.9.1993, see [art. 1](#)

*Tim Kirkhope*  
*Tim Wood*  
Two of the Lords 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 38C of the Value Added Tax Act 1983, revokes and replaces the Value Added Tax (Payments on Account) (No. 2) Order 1992. It provides that certain taxable persons shall make payments on account of any tax they may become liable to pay in respect of their tax periods.

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 March to May 1993) exceeded £2,000,000 and provision is now made for the Order to apply also to a taxable person who did not exceed that amount in the period of the year specified in article 5 but who exceeds that amount in a subsequent period of a year (article 6).

Provision is now made for the duty to make payments to cease where a taxable person's VAT liability in a period of a year ending after the period of one year specified in articles 5 or 6 is less than £1,600,000 (article 7).

Article 8 provides that the payments are to be made monthly but special provision is made in article 9 for taxable persons who have tax periods which do not start on the first, or end on the last, day of the month. Article 10 allows extra time for payments made by credit transfer.

Calculation of the payments is determined in accordance with articles 11 and 12 but provision is made in articles 13, 14 and 15 for reduction and increase of payments in circumstances described in those articles.

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 16) and to bodies corporate which are treated as members of a group under section 29 of that Act (article 17).

**Changes to legislation:**

There are currently no known outstanding effects for the The Value Added Tax (Payments on Account) Order 1993.