
STATUTORY INSTRUMENTS

1995 No. 2518

The Value Added Tax Regulations 1995

[^{F1}PART XIXB

REPAYMENT OF INPUT TAX WHERE CONSIDERATION NOT PAID

Textual Amendments

- F1** Pt. 19B inserted (1.1.2003) by [The Value Added Tax \(Amendment\) \(No. 4\) Regulations 2002 \(S.I. 2002/3027\)](#), regs. 1, 8

Application

172F. This Part applies where the supply in relation to which a person has claimed credit for input tax was made on or after 1st January 2003.

Interpretation

172G. In this Part—

“relevant period” means 6 months following—

- (i) the date of the supply, or
- (ii) if later, the date on which the consideration for the supply, or (as the case may be) the unpaid part of it, became payable.

Repayment of input tax

172H.—(1) Subject to paragraph (5) below, where a person—

- (a) has not paid the whole or any part of the consideration for a supply by the end of the relevant period; and
- (b) has claimed deduction of the whole or part of the VAT on the supply as input tax (“the deduction”),

he shall make an entry in his VAT account in accordance with paragraphs (2) and (3) below.

(2) The person shall make a negative entry in the VAT allowable portion of that part of his VAT account which relates to the prescribed accounting period of his in which the end of the relevant period falls.

(3) The amount of the negative entry referred to in paragraph (2) above shall be such amount as is found by multiplying the amount of the deduction by a fraction of which the numerator is the amount of the consideration for the supply which has not been paid before the end of the relevant period and the denominator is the total consideration for the supply.

(4) None of the circumstances to which this regulation applies is to be regarded as giving rise to any application of regulations 34 and 35.

Status: Point in time view as at 01/01/2003.

Changes to legislation: There are currently no known outstanding effects for the The Value Added Tax Regulations 1995, PART XIXB. (See end of Document for details)

(5) This regulation does not apply where, for input tax, the operative date for VAT accounting purposes is the date mentioned in regulation 57(b) above.

Restoration of an entitlement to credit for input tax

172I.—(1) Where a person—

- (a) has made an entry in his VAT account in accordance with regulation 172H (“the input tax repayment”);
- (b) has made the return for the prescribed accounting period concerned, and has paid any VAT payable by him in respect of that period; and
- (c) after the end of the relevant period, has paid the whole or part of the consideration for the supply in relation to which the input tax repayment was made,

he shall make an entry in his VAT account in accordance with paragraphs (2) and (3) below in respect of each such payment made.

(2) The person shall make a positive entry in the VAT allowable portion of that part of his VAT account which relates to the prescribed accounting period of his in which payment of the whole or part of the consideration was made.

(3) The amount of the positive entry referred to in paragraph (2) above shall be such amount as is found by multiplying the amount of the input tax repayment by a fraction of which the numerator is the amount of the payment referred to in paragraph (1) (c) above and the denominator is the total consideration for the supply.

(4) None of the circumstances to which this regulation applies is to be regarded as giving rise to any application of regulations 34 and 35.

(5) In this regulation, “return” means the return which a person is required to make in accordance with regulation 25.

Attribution of payments

172J. The rules on the attribution of payments in regulation 170 and, as the case may be, 170A above shall apply for determining whether anything paid is to be taken as paid by way of consideration for a particular supply.]

Status:

Point in time view as at 01/01/2003.

Changes to legislation:

There are currently no known outstanding effects for the The Value Added Tax Regulations 1995, PART XIXB.