
STATUTORY INSTRUMENTS

1995 No. 2518

The Value Added Tax Regulations 1995

PART XIX

BAD DEBT RELIEF (THE NEW SCHEME)

[^{F1}Writing off debts—tour operators margin scheme

172B.—(1) This regulation applies where, by virtue of an order under section 53 of the Act, the value of the relevant supply falls to be determined otherwise than in accordance with section 19 of the Act.

(2) Where this regulation applies the consideration for the relevant supply which is to be taken to have been written off as a bad debt shall not exceed the relevant amount.

(3) For the purposes of paragraph (2) above the relevant amount is—

(a) where either—

(i) no payment has been received in relation to the relevant supply, or

(ii) the total of any such payments as have been received does not exceed the non-profit element,

the profit element; or

(b) where the total of such payments as have been received exceeds the non-profit element, the amount (if any) by which the consideration for the relevant supply exceeds that total.

(4) In this regulation—

“non-profit element” means the consideration for the relevant supply less the profit element;

“profit element” means the sum of—

(a) the value of the relevant supply; and

(b) the VAT chargeable on the relevant supply.]

Textual Amendments

F1 Regs. 172A, 172B inserted (1.5.1997) by [The Value Added Tax \(Amendment\) Regulations 1997 \(S.I. 1997/1086\)](#), regs. 1, 15

Status:

Point in time view as at 01/01/2004.

Changes to legislation:

There are currently no known outstanding effects for the The Value Added Tax Regulations 1995, Section 172B.