

STATUTORY INSTRUMENTS

1995 No. 2518

The Value Added Tax Regulations 1995

[^{F1}PART XIXB

REPAYMENT OF INPUT TAX WHERE CONSIDERATION NOT PAID

[^{F1}Repayment of input tax

172H.—(1) Subject to [^{F2}paragraphs (5) and (6)] 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.

(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.

[
^{F3}(6) This regulation does not apply in so far as a person is entitled under section 26AA of the Act to credit for input tax in relation to the supply.]]

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**
- F2** Words in [reg. 172H\(1\)](#) substituted (with effect in accordance with art. 9 of the amending S.I.) by [The Enactment of Extra-Statutory Concessions Order 2017 \(S.I. 2017/495\)](#), arts. 1, **8(2)**
- F3** [Reg. 172H\(6\)](#) inserted (with effect in accordance with art. 9 of the amending S.I.) by [The Enactment of Extra-Statutory Concessions Order 2017 \(S.I. 2017/495\)](#), arts. 1, **8(3)**

Changes to legislation:

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