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STATUTORY INSTRUMENTS

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**1995 No. 2518**

The Value Added Tax Regulations 1995

PART VIII

CASH ACCOUNTING

**Admission to the scheme**

[<sup>F1</sup>61.—(1) Subject to paragraph (2), a person who ceases to operate the scheme, either of his own volition or because the value of taxable supplies made by him exceeds the level provided for in regulation 60(1), must—

- (a) settle up, or
- (b) apply transitional arrangements.

(2) Where the value of taxable supplies made by a person in the period of three months ending at the end of the prescribed accounting period in which he ceased to operate the scheme has exceeded [<sup>F2</sup>£1,350,000], he may not apply transitional arrangements.

(3) In paragraph (1)(a), “settle up” means account for and pay on a return made for the prescribed accounting period in which he ceased to operate the scheme—

- (a) all VAT that he would have been required to pay to the Commissioners during the time when he operated the scheme, if he had not then been operating the scheme, minus
- (b) all VAT accounted for and paid to the Commissioners in accordance with the scheme, subject to any adjustment for credit for input tax.

(4) In paragraph (1)(b), “apply transitional arrangements” means continue to operate the scheme in respect of his scheme supplies for 6 months after the end of the prescribed accounting period in which he ceased to operate the scheme.

(5) In paragraph (4), “scheme supplies” means supplies made and received while he operated the scheme that are not excluded from the scheme by virtue of regulation 57A or 58 or conditions described in a notice.

(6) Where a person chooses to apply transitional arrangements, he shall account for and pay on a return made for the first prescribed accounting period that ends 6 months or more after the end of the prescribed accounting period in which he ceased to operate the scheme—

- (a) all VAT that he would have been required to pay to the Commissioners during the time when he operated the scheme, if he had not then been operating the scheme, minus
- (b) all VAT accounted for and paid to the Commissioners in accordance with the scheme (including any VAT accounted for and paid because he applied transitional arrangements), subject to any adjustment for credit for input tax.]

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**Changes to legislation:** There are currently no known outstanding effects for the The Value Added Tax Regulations 1995, Section 61. (See end of Document for details)

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**Textual Amendments**

- F1** Reg. 61 substituted (1.4.2004) by [The Value Added Tax \(Amendment\) Regulations 2004 \(S.I. 2004/767\)](#), regs. 1, **9**
- F2** Sum in reg. 61(2) substituted (1.4.2007) by [The Value Added Tax \(Amendment\) \(No.2\) Regulations 2007 \(S.I. 2007/768\)](#), regs. 1, **5**

**Changes to legislation:**

There are currently no known outstanding effects for the The Value Added Tax Regulations 1995, Section 61.