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STATUTORY INSTRUMENTS

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**1996 No. 1198**

**VALUE ADDED TAX**

**The Value Added Tax (Amendment) (No. 2) Regulations 1996**

<i>Made</i>	- - - -	<i>1st May 1996</i>
<i>Laid before the House of Commons</i>	- - - -	<i>2nd May 1996</i>
<i>Coming into force</i>	- -	<i>1st June 1996</i>

The Commissioners of Customs and Excise, in exercise of the powers conferred on them by sections 25(1) and 28(3) of the Value Added Tax Act 1994<sup>(1)</sup> and of all other powers enabling them in that behalf, hereby make the following Regulations:

1. These Regulations may be cited as the Value Added Tax (Amendment) (No. 2) Regulations 1996 and shall come into force on 1st June 1996.

2. The Value Added Tax Regulations 1995<sup>(2)</sup> shall be amended as follows.

3. After regulation 40 there shall be inserted the following:

“**40A.** Where the Commissioners in exercise of their power under section 28(2A)<sup>(3)</sup> of the Act have directed the manner in which payments on account under section 28 of the Act are to be made, a person who is liable to make such payments shall also pay any amount of VAT payable in respect of a return for any prescribed accounting period in the like manner.”.

4. After regulation 46 there shall be inserted the following:

“**46A.**—(1) A payment on account and a payment in respect of a return to which regulation 40A above applies shall not be treated as having been made by the last day on which it is required to be made unless it is made in such a manner as secures that all the transactions can be completed that need to be completed before the whole of the amount becomes available to the Commissioners.

(2) For the purposes of this regulation and regulation 47 below, references to a payment being made by any day include references to its being made on that day.”.

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(1) 1994 c. 23; section 96(1) defines “the Commissioners” as meaning the Commissioners of Customs and Excise and “regulations” as meaning regulations made by the Commissioners under the Act.  
(2) S.I. 1995/2518, to which there are amendments not relevant to these Regulations.  
(3) The power to direct is given by subsection (2A) which was inserted by section 34 of the Finance Act 1996 (c. 8.).

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**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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New King's Beam House 22 Upper Ground  
LONDON SE1 9PJ  
1st May 1996

*Martin Brown*  
Commissioner of Customs and Excise

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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations amend, with effect from 1st June 1996, the Value Added Tax Regulations 1995 (S.I.1995/2518) (“the principal Regulations”).

Regulation 3 inserts a new regulation 40A in Part V (Accounting, payment and records) of the principal Regulations. The new regulation 40A provides that where the Commissioners have directed the manner in which a person shall make payments on account under section 28 of the Value Added Tax Act 1994 then the person shall also pay any balancing payments due in respect of VAT returns in the same manner.

Regulation 4 inserts a new regulation 46A in Part VI (Payments on Account) of the principal Regulations.

The new regulation 46A(1) provides that payments on account and payments of balances due in respect of VAT returns by persons in the Payments on Account Scheme will not have been made unless they have been made in time to have cleared to the Commissioners' account. The new regulation 46A(2) provides that for the purposes of these Regulations and regulation 47 of the principal Regulations, references to a payment being made “by any day” include references to the payment being made on that day.