

2007 No. 1420

VALUE ADDED TAX

**The Value Added Tax (Payments on Account) (Amendment)
Order 2007**

Approved by the House of Commons

Made - - - - 10th May 2007

Laid before the House of Commons 10th May 2007

Coming into force - - 1st June 2007

Whereas the Treasury consider it desirable to make an order under section 28 of the Value Added Tax Act 1994(a) in the interests of the national economy:

Now, therefore, the Treasury make the following Order in exercise of the powers conferred by section 28(1), (2), (4) and (5) of the Value Added Tax Act 1994:

1. This Order may be cited as the Value Added Tax (Payments on Account) (Amendment) Order 2007 and comes into force on 1st June 2007.

2. In the Value Added Tax (Payments on Account) Order 1993(b), after article 2 insert—

“Supplies to which section 55A(6) of the Act applies (customers to account for tax on supplies of a kind used in missing trader intra-community fraud)

2A. Where, on application, a taxable person satisfies the Commissioners that, by reason solely of any amount that he is liable to pay by virtue of section 55A(6) of the Act—

- (a) he falls within article 5 or 6 below, or
- (b) the amount of each of his payments on account is increased,

then, with effect from the date of the approval by the Commissioners of the application, any amount that he is so liable to pay by virtue of that section shall be disregarded for the purposes of those articles or, as the case may be, the calculation of the amount of each of his payments on account.”.

*Dave Watts
Alan Campbell*

10th May 2007

Two of the Lords Commissioners of Her Majesty’s Treasury

(a) 1994 c.23.

(b) S.I. 1993/2001, amended by 1995/291, 1996/1196.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order, which comes into force on 1st June 2007, amends the Value Added Tax (Payments on Account) Order 1993 (“the Principal Order”).

The Order inserts a new article 2A into the Principal Order. This provides for a taxable person to apply to the Commissioners for Revenue and Customs to have any VAT which he is liable to account for and pay by virtue of the application of section 55A(6) of the Value Added Tax Act 1994 to be disregarded if, solely by reason of any such VAT, he would fall within the Payments on Account Scheme or, if already within the scheme, his payments on account would be increased.

A full regulatory impact assessment of the effect that section 55A and this instrument will have on the costs of business and the voluntary sector is available at www.hmrc.gsi.gov.uk and is annexed to the Explanatory Memorandum which is available alongside the instrument on the OPSI website.

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