



# Value Added Tax Act 1994

## 1994 CHAPTER 23

### PART IV

#### ADMINISTRATION, COLLECTION AND ENFORCEMENT

*Interest, repayment supplements etc. payable by Commissioners*

#### **81 Interest given by way of credit and set-off of credits**

- (1) Any interest payable by the Commissioners (whether under an enactment or instrument or otherwise) to a person on a sum due to him under or by virtue of any provision of this Act shall be treated as an amount due by way of credit under section 25(3).
- (2) Subsection (1) above shall be disregarded for the purpose of determining a person's entitlement to interest or the amount of interest to which he is entitled.
- (3) Subject to subsection (1) above, in any case where—
  - (a) an amount is due from the Commissioners to any person under any provision of this Act, and
  - (b) that person is liable to pay a sum by way of VAT, penalty, interest or surcharge, the amount referred to in paragraph (a) above shall be set against the sum referred to in paragraph (b) above and, accordingly, to the extent of the set-off, the obligations of the Commissioners and the person concerned shall be discharged.
- (4) Subsection (3) above shall not apply in the case of any such amount as is mentioned in paragraph (a) of that subsection where that amount became due to the person in question—
  - (a) at a time when that person's estate was vested in any other person as that person's trustee in bankruptcy;
  - (b) at a time when that person's estate was vested in any other person as that person's interim trustee or permanent trustee;

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*Status: This is the original version (as it was originally enacted).*

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- (c) at a time, other than a time before the appointment of a liquidator, when that person was being wound up, either voluntarily or by the court;
  - (d) at a time when an administration order was in force in relation to that person;
  - (e) at a time when there was an administrative receiver of that person;
  - (f) at a time when—
    - (i) a voluntary arrangement approved in accordance with Part I or VIII of the Insolvency Act 1986, or Part II or Chapter II of Part VIII of the Insolvency (Northern Ireland) Order 1989, or
    - (ii) a deed of arrangement registered in accordance with the Deeds of Arrangement Act 1914 or Chapter I of Part VIII of that Order of 1989, was in force in relation to that person; or
  - (g) at a time when that person's estate was vested in any other person as that person's trustee under a trust deed.
- (5) In subsection (4) above—
- (a) “administration order” means an administration order under Part II of the Insolvency Act 1986 or an administration order within the meaning of Article 5(1) of the Insolvency (Northern Ireland) Order 1989;
  - (b) “administrative receiver” means an administrative receiver within the meaning of section 251 of that Act of 1986 or Article 5(1) of that Order of 1989; and
  - (c) “trust deed” has the same meaning as in the Bankruptcy (Scotland) Act 1985.