



# Finance Act 1998

## 1998 CHAPTER 36

### PART II

#### VALUE ADDED TAX

#### **23 Bad debt relief.**

- (1) In subsection (1)(a) of section 36 of the <sup>M1</sup>Value Added Tax Act 1994 (bad debts), the words “for a consideration in money” shall be omitted.
- (2) In subsection (3) of that section—
  - (a) in paragraph (a), for “payment by way” there shall be substituted “ part ”; and
  - (b) in paragraph (b), for “a payment or payments by way” there shall be substituted “ any part ” and for “the payment (or the aggregate of the payments)” there shall be substituted “ that part ”.
- (3) After that subsection there shall be inserted the following subsection—

“(3A) For the purposes of this section, where the whole or any part of the consideration for the supply does not consist of money, the amount in money that shall be taken to represent any non-monetary part of the consideration shall be so much of the amount made up of—

  - (a) the value of the supply, and
  - (b) the VAT charged on the supply,

as is attributable to the non-monetary consideration in question.”
- (4) In subsection (5) of that section—
  - (a) in paragraph (c), for “subsequent payments” there shall be substituted “ anything subsequently received ”; and
  - (b) in paragraph (e), for “payment (or further payment) by way” there shall be substituted “ part (or further part )”.
- (5) In subsection (6) of that section, in paragraphs (b) and (c) for “a payment” there shall in each place be substituted “ anything received ”.

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*Changes to legislation: There are currently no known outstanding effects  
for the Finance Act 1998, Section 23. (See end of Document for details)*

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- (6) In subsection (7) of that section, for “part payment” there shall be substituted “ receipt of part of the consideration ”.
- (7) Subsections (1) to (3) above have effect in relation to claims made on or after the day on which this Act is passed.

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**Marginal Citations**

**M1** 1994 c. 23.

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 1998, Section 23.