

**1988 No. 1343**

**VALUE ADDED TAX**

**The Value Added Tax (Repayment Supplement)  
Regulations 1988**

*Made - - - - -* 29th July 1988  
*Laid before the House of Commons* 29th July 1988  
*Coming into force* 29th July 1988

The Commissioners of Customs and Excise, in exercise of the powers conferred on them by section 20(3) of the Finance Act 1985(a) 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 (Repayment Supplement) Regulations 1988 and shall come into force on 29th July 1988.

2. In these Regulations, "the principal Act" means the Value Added Tax Act 1983(b).

3. The Value Added Tax (Repayment Supplement) (No. 2) Regulations 1986(c) are hereby revoked.

4. In computing the period of thirty days referred to in section 20(2)(b) of the Finance Act 1985(d), periods referable to the following matters shall be left out of account -

- (a) the raising and answering of any reasonable inquiry relating to the requisite return or claim;
- (b) the correction by the Commissioners of any errors or omissions in that requisite return or claim;
- (c) in any case to which section 20(1)(a) of the Finance Act 1985(e) applies, the following matters, namely -
  - (i) any such continuing failure to submit returns as is referred to in section 14(7) of the principal Act;
  - (ii) compliance with any such condition as is referred to in paragraph 5(1) of Schedule 7 to the principal Act (production of documents or giving of security as a condition of payment).

5. For the purpose of determining the duration of the periods referred to in regulation 4 above, the following rules shall apply -

- (a) in the case of the period mentioned in regulation 4(a) above, it shall be taken to have begun on the date when the Commissioners first raised the inquiry and it shall be taken to have ended on the date when they received a complete answer to their inquiry;

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(a) 1985 c.54; a new section 20(3) was substituted by section 20 of the Finance Act 1988 (c.39).

(b) 1983 c.55.

(c) S.I. 1986/1279.

(d) 1985 c.54; a new section 20(2)(b) was substituted by section 20 of the Finance Act 1988.

(e) 1985 c.54; a new section 20(1)(a) was substituted by section 20 of the Finance Act 1988.

- (b) in the case of the period mentioned in regulation 4(b) above, it shall be taken to have begun on the date when the error or omission first came to the notice of the Commissioners and it shall be taken to have ended on the date when the error or omission was corrected by them;
- (c) in the case of the period mentioned in regulation 4(c)(i) above, it shall be determined in accordance with a certificate of the Commissioners under paragraph 11(1)(b) of Schedule 7 to the principal Act;
- (d) in the case of the period mentioned in regulation 4(c)(ii) above, it shall be taken to have begun on the date of the service of the written notice of the Commissioners which required the production of documents or the giving of security and it shall be taken to have ended on the date when they received the required documents or the required security.

New King's Beam House  
22 Upper Ground  
LONDON  
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29th July 1988

*Peter Jefferson-Smith*  
Commissioner of Customs and Excise

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#### EXPLANATORY NOTE

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

Under section 20 of the Finance Act 1985 (as substituted by section 20 of the Finance Act 1988), a person becomes entitled to a repayment supplement where the Commissioners have not authorised a payment or refund of tax owing to him within 30 days of their receiving the tax return or claim for a refund. These Regulations replace the Value Added Tax (Repayment Supplement) (No. 2) Regulations 1986, which did not deal with claims for refund of tax under section 20 of the Value Added Tax Act 1983 (refunds of tax for certain public bodies). Those Regulations are revoked. The new Regulations provide four specific sets of circumstances in which the 30 day period is to be treated as extended and they prescribe rules for determining the duration of such extensions. These rules are substantially the same as in the previous Regulations, but include claims for refunds. The rules are based on objective criteria to establish the dates on which the extensions start and end.

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