
S T A T U T O R Y I N S T R U M E N T S

1999 No. 3029

VALUE ADDED TAX

The Value Added Tax Regulations 1999

<i>Made</i>	- - - - -	<i>8th November 1999</i>
<i>Laid before the House of Commons</i>		<i>8th November 1999</i>
<i>Coming into force</i>	- - - - -	<i>1st December 1999</i>

The Commissioners of Customs and Excise, in exercise of the powers conferred on them by section 36(5) and (7) of the Value Added Tax Act 1994(a) and section 15(4) of the Finance Act 1999(b) 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 Regulations 1999 and shall come into force on 1st December 1999.
2. The Value Added Tax Regulations 1995(c) shall be amended in accordance with regulations 3 and 4 below.
3. In regulation 165 in the definition of “payment” the words “to the claimant” where they first appear shall be omitted.
4. After regulation 171(4) there shall be inserted—

“(5) For the purposes of this regulation a reference to payment shall not include a reference to a payment received by a person to whom a right to receive it has been assigned.”.
5. Section 15(4) of the Finance Act 1999 shall cease to have effect on 1st December 1999.

New King’s Beam House
22 Upper Ground
London SE1 9PJ

8th November 1999

Martin Brown
Commissioner of Customs and Excise

(a) 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.
(b) 1999 c. 16.
(c) S.I. 1995/2518, to which there are amendments not relevant to these Regulations.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations, which come into force on 1st December 1999, further amend the Value Added Tax Regulations 1995 (S.I. 1995/2518) (“the principal Regulations”).

Regulation 3 amends regulation 165 of the principal Regulations in order to prevent potential avoidance. All payments or part payments by way of consideration for a supply must be taken into account when bad debt relief is claimed, not only those made to the claimant. As a result, when a claim to bad debt relief is made, payment made to someone to whom the right to receive it has been assigned, is to be treated in the same way as a payment made to the claimant.

Regulation 4 amends regulation 171 of the principal Regulations so that payment received by someone assigned the right to receive it will not oblige the claimant to repay bad debt relief previously claimed.

Regulation 5 provides that section 15(4) of the Finance Act 1999 ceases to have effect. That subsection is no longer required because of the changes to the principal Regulations made by regulations 3 and 4 above.

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