
STATUTORY INSTRUMENTS

1995 No. 2518

The Value Added Tax Regulations 1995

PART XIX

BAD DEBT RELIEF (THE NEW SCHEME)

[^{F1}Writing off debts—margin schemes

172A.—(1) This regulation applies where, by virtue of the claimant's having exercised an option under an order made under section 50A of the Act, the VAT chargeable on the relevant supply is charged by reference to the profit margin.

(2) Where this regulation applies the consideration for the relevant supply which is to be taken to have been written off as a bad debt shall not exceed the relevant amount.

(3) For the purposes of paragraph (2) above the relevant amount is—

(a) where either—

(i) no payment has been received in relation to the relevant supply, or

(ii) the total of such payments as have been received does not exceed the non-profit element,

the profit margin; or

(b) where the total of such payments as have been received exceeds the non-profit element, the amount (if any) by which the consideration for the relevant supply exceeds that total.

(4) In paragraph (3) above—

“non-profit element” means the consideration for the relevant supply less the profit margin.]

Textual Amendments

F1 Regs. 172A, 172B inserted (1.5.1997) by [The Value Added Tax \(Amendment\) Regulations 1997 \(S.I. 1997/1086\)](#), regs. 1, 15

Modifications etc. (not altering text)

C1 [Pt. XIX](#) modified (10.6.2021 for specified purposes, 1.7.2021 in so far as not already in force) by 1994 c. 23, Sch. 9ZF para. 16(4) (as inserted by [Finance Act 2021 \(c. 26\)](#), s. 95(6)(a), [Sch. 18 para. 6](#); S.I. 2021/770, regs. 3, 4 (with [regs. 5-7](#)))

Changes to legislation:

There are currently no known outstanding effects for the The Value Added Tax Regulations 1995, Section 172A.