
STATUTORY INSTRUMENTS

1995 No. 2518

The Value Added Tax Regulations 1995

PART VIII

CASH ACCOUNTING

Admission to the scheme

58. —

- (1) A taxable person shall be eligible to begin to operate the scheme if—
- (a) at any time, he has reasonable grounds for believing that the value of taxable supplies made or to be made by him in the period of one year then beginning will not exceed £350,000,
 - (b) he has made all returns which he is required to make, and has—
 - (i) paid to the Commissioners all such sums shown as due on those returns and on any assessments made either under section 76 of, or Schedule 11 to, the Act, or
 - (ii) agreed an arrangement with the Commissioners for any outstanding amount of such sums as are referred to in sub-paragraph (i) above to be paid in instalments over a specified period, and
 - (c) he has not in the period of one year preceding that time—
 - (i) been convicted of any offence in connection with VAT,
 - (ii) made any payment to compound proceedings in respect of VAT under section 152 of the Customs and Excise Management Act 1979⁽¹⁾,
 - (iii) been assessed to a penalty under section 60 of the Act, or
 - (iv) by virtue of regulation 64(1), ceased to be entitled to continue to operate the scheme.
- (2) The scheme shall not apply to lease purchase agreements, hire purchase agreements, conditional sale agreements, credit sale agreements or supplies where a VAT invoice is issued and full payment of the amount shown on the invoice is not due for a period in excess of 12 months from the date of the issue of the invoice.

⁽¹⁾ 1979 c. 2 ; section 152 is applied to all offences relating to VAT by section 72(12) of the Value Added Tax Act 1994 (c. 23) .