

STATUTORY INSTRUMENTS

1995 No. 2518

The Value Added Tax Regulations 1995

PART XI

TIME OF SUPPLY AND TIME OF ACQUISITION

Retention payments

89. Where any contract [^{F1}(other than one of a description falling within regulation 93 below)] for the supply of goods (other than for a supply to which [^{F2}sub-paragraphs (1) and (2) of paragraph 28 of Schedule 9ZB to] the Act apply) or for the supply of services provides for the retention of any part of the consideration by a person pending full and satisfactory performance of the contract, or any part of it, by the supplier, goods or services (as the case may require) shall be treated as separately and successively supplied at the following times—

- (a) the time determined in accordance with section 6(2), (3), (4), (5), (6), ^{F3}... (10) or (13) of the Act, as the case may require, and
- (b) the earlier of the following times—
 - (i) the time that a payment in respect of any part of the consideration which has been retained, pursuant to the terms of the contract, is received by the supplier, or
 - (ii) the time that the supplier issues a VAT invoice relating to any such part.

Textual Amendments

- F1** Words in [reg. 89](#) inserted (1.1.1998) by [The Value Added Tax \(Amendment\) \(No. 5\) Regulations 1997 \(S.I. 1997/2887\)](#), [regs. 1, 3](#)
- F2** Words in [reg. 89](#) substituted (1.8.2021) by [The Value Added Tax \(Amendment\) \(EU Exit\) Regulations 2021 \(S.I. 2021/715\)](#), [regs. 1, 31](#)
- F3** Word in [reg. 89\(a\)](#) omitted (1.1.2004) by virtue of [The Value Added Tax \(Amendment\) \(No. 6\) Regulations 2003 \(S.I. 2003/3220\)](#), [regs. 1\(1\)\(b\), 16](#)

Commencement Information

- I1** [Reg. 89](#) in force at 20.10.1995, see [reg. 1](#)

Changes to legislation:

There are currently no known outstanding effects for the The Value Added Tax Regulations 1995, Section 89.