



Jersey

## **GOODS AND SERVICES TAX (SUPPLY) (JERSEY) REGULATIONS 200-**

### **Report**

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### **Explanatory Note**

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These Regulations would be made under the Goods and Services Tax (Jersey) Law 200-.

They specify times at which goods and services are to be treated as having been supplied. Under the Law, goods and services tax becomes due at the time of supply.

In the particular circumstances described in the Regulations, they would apply instead of the general rules in the draft Law.

The Regulations are set out in the following way.

#### *Regulation 1:*

This is an interpretation clause.

References in the Regulations to Articles and Schedules are to those in the Law.

Where the Regulations treat a supply as taking place each time a payment is received or an invoice is issued, it is only to be treated as taking place to the extent covered by the payment or invoice.

#### *Regulation 2:*

This Regulation applies to goods that are supplied for private use. Under Schedule 2, paragraph 8(5) of the Law, these will be regarded as being a supply of services, and under this Regulation they will be taken as being supplied on the last day of the prescribed accounting period in which the goods concerned are used or made available.

Regulation 2 also applies to free services that, under Regulations made under Article 20(4) of the Law, are to be treated as being supplied in the course of business.

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Under Regulation 2, they will be taken as being supplied on the last day of the prescribed accounting period in which the services are performed.

Accounting periods would be prescribed in Regulations made under Article 33 of the Law.

*Regulation 3:*

This Regulation applies where goods are supplied, under an agreement by which the supplier retains the property in them until all or some of the goods are appropriated by the buyer. It only applies if all or part of the consideration is determined on the appropriation.

In those circumstances, the supply is to be treated as taking place on the date of appropriation, the date on which a Goods and Services Tax invoice is issued or the date of payment, whichever happens first.

However, the Regulation does not apply in the circumstances described in Article 25(2) of the Law (which relates to goods on approval, on sale or return).

It does not apply either in the circumstances described in Article 27(7) of the Law (which relates to a supply of goods involving their removal from Jersey).

*Regulation 4:*

This Regulation applies to the supply of goods or services where part of the consideration is retained by the recipient pending satisfactory completion of the contract for supply.

The effect of the Regulation is to treat the supply as being made in separate, successive stages. In respect of each stage, it treats any part-payment then received or the issue of a GST invoice in respect of that stage, whichever is earlier, as being a time of supply.

*Regulation 5:*

This Regulation applies where goods and services are supplied on a continuing basis and are paid for periodically.

Ordinarily, they will be treated in the same way as those to which Regulation 5 (above) applies.

However, this Regulation enables the parties to agree for successive payments in circumstances in which, at intervals not exceeding one year, the supplier issues GST invoices that include the particulars specified in the Regulation.

In those circumstances, if there is a change in the goods and services tax payable, any invoice so issued will cease to be a GST invoice for payments that fall due after the change (not being payments that have in fact already been made).

*Regulation 6:*

This Regulation applies to royalties and similar payments. It treats further supplies as being made each time a further payment is received or a further GST invoice is issued, whichever is earlier.

*Regulation 7:*

This Regulation applies to works in the construction industry, under contracts that provide for progress payments.

It treats each occasion on which a GST invoice is issued as being a time of supply.

However, if a progress payment is made before a GST invoice is issued (in a case in which the whole of the consideration is in money), that earlier time is to be treated as the time of supply.

*Regulation 8:*

This Regulation provides for the manner in which the Regulations may be cited.

It also provides that they will come into force on



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## **GOODS AND SERVICES TAX (SUPPLY) (JERSEY) REGULATIONS 200-**

### **Arrangement**

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#### **Regulation**

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Jersey

## **GOODS AND SERVICES TAX (SUPPLY) (JERSEY) REGULATIONS 200-**

*Made* [date to be inserted]

*Coming into force* [date to be inserted]

**THE STATES**, in pursuance of Articles 28 and 91 of the Goods and Services Tax (Jersey) Law 200-, have made the following Regulations –

### **1 Interpretation**

- (1) In these Regulations, a reference to an Article or Schedule is a reference to an Article or Schedule of that number in the Goods and Services Tax (Jersey) Law 200- .
- (2) Where, under these Regulations, a supply is treated as taking place each time at which a payment (however expressed) is received or an invoice is issued, the supply is to be treated as taking place only to the extent covered by the payment or invoice.

### **2 Goods for private use, and the free supply of services**

- (1) Where there is a supply of services to which paragraph 8(5) of Schedule 2 refers, they shall be treated as being supplied on the last day of the prescribed accounting period of the supplier in which the goods concerned are used or made available.
- (2) Where services specified in Regulations made by the States under Article 20(4) are supplied, they shall be treated as being supplied on the last day of the prescribed accounting period of the supplier in which the services are performed.

### **3 Supplier's goods in possession of buyer**

- (1) This Regulation applies where goods are supplied –
  - (a) under an agreement by which the supplier retains the property in them until the goods or part of them are appropriated under the agreement by the buyer; and
  - (b) in circumstances where the whole or part of the consideration is determined at that time.

- (2) However, it does not apply in respect of –
  - (a) a supply to which Article 25(2) refers; or
  - (b) a supply to which Article 27(7) applies.
- (3) Where this Regulation applies, a supply of any of the goods shall be treated as taking place at the earliest of the following dates –
  - (a) the date of appropriation by the buyer;
  - (b) the date when a GST invoice is issued by the supplier; and
  - (c) the date when a payment is received by the supplier.

#### **4 Retention payments**

- (1) This Regulation applies where any contract for the supply of goods or 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.
- (2) Where this Regulation applies, the 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 either of paragraphs (1) and (2) of Article 25, Article 26, any of paragraphs (4), (5), (6), (8) and (9) of Article 27 or Article 28(3) (as the case may require); and
  - (b) the earlier of the times to which paragraph (3) of this Regulation refers.
- (3) The times to which this paragraph refers are –
  - (a) the time at which a payment in respect of any part of the consideration that has been retained, pursuant to the terms of the contract, is received by the supplier; or
  - (b) the time at which the supplier issues a GST invoice relating to any such part.

#### **5 Continuing supplies**

- (1) Where goods or services are supplied for a period for a consideration the whole or part of which is determined or payable periodically or from time to time, they shall be treated as separately and successively supplied at the earlier of the following times –
  - (a) each time at which a payment in respect of the supplies is received by the supplier; and
  - (b) each time at which the supplier issues a GST invoice relating to the supplies.
- (2) However, in the circumstances described in paragraph (3) goods or services shall be treated as separately and successively supplied at the earlier of the following times –
  - (a) each time at which a payment in respect of them becomes due; and
  - (b) each time at which a payment in respect of them is received by the supplier.

- (3) The circumstances to which this paragraph refers are where –
  - (a) separate and successive supplies of goods or services described in paragraph (1) are made under an agreement that provides for successive payments; and
  - (b) at or about the beginning of any period not exceeding one year the supplier issues a GST invoice containing, in addition to the prescribed particulars to which sub-paragraphs (a) and (d) of Article 41(1) refer, the particulars specified in paragraph (4).
- (4) The particulars to which this paragraph refers are –
  - (a) the dates on which payments under the agreement are to become due in the period;
  - (b) the amount payable (excluding GST) on each such date; and
  - (c) the rate of GST in force at the time of issue of the GST invoice and the amount of GST chargeable in accordance with that rate on each of such payments.
- (5) Where –
  - (a) an invoice is issued in the circumstances described in paragraph (3); and
  - (b) on or before any due date on the invoice there is a change in the GST chargeable on supplies of the description to which the invoice relates,

the invoice shall cease to be treated as a GST invoice in respect of any such supplies for which payments are due after the change.
- (6) However, paragraph (5) does not apply to a GST invoice in respect of any supplies for which payments are received before the change.
- (7) In paragraph (5), “due date” means a date that is specified on the invoice as a date on which a payment is due.

## **6 Royalties and similar payments**

- (1) This Regulation applies where the whole amount of the consideration for a supply of services is not ascertainable at the time when the services are performed and subsequently the use of the benefit of those services by a person other than the supplier gives rise to any payment of consideration for that supply that –
  - (a) is in whole or in part determined or payable periodically or from time to time or at the end of any period;
  - (b) is additional to the amount (if any) already payable for the supply, and
  - (c) is not a payment to which Regulation 5 applies.
- (2) Where this Regulation applies, a further supply shall be treated as taking place each time at which –
  - (a) a payment in respect of the use of the benefit of those services is received by the supplier; or
  - (b) a GST invoice is issued by the supplier,

whichever event occurs earlier.

## **7 Supplies for works**

- (1) Where services or services together with goods are supplied in the course of work described in paragraph (3), under a contract that provides for payment for such supplies to be made periodically or from time to time, a supply shall be treated as taking place each time at which the supplier issues a GST invoice.
- (2) However, where the consideration for the contract is wholly in money, and a payment is received by the supplier before the supplier issues a GST invoice in respect of the supply concerned, the supply shall be treated as taking place at the time at which the payment is received.
- (3) The work to which this paragraph refers is the construction, alteration, demolition, repair or maintenance of –
  - (a) a building; or
  - (b) any civil engineering work.

## **8 Citation and commencement**

- (1) These Regulations may be cited as the Goods and Services Tax (Supply) (Jersey) Regulations 200-.
- (2) These Regulations shall come into force on .



