

Progressive or periodic supply

188. (1) Where any supply is made under an agreement for a period or progressively over a period whether or not at regular intervals and that period begins before the effective date and ends on or after the effective date, the proportion of the supply which is attributed to the part of the period on or after the effective date shall be chargeable to tax.

(2) Where the supply under subsection (1) is a supply of services, the supply shall be taken to be made continuously and uniformly throughout the period of that agreement.

(3) Notwithstanding subsection (1), where the supply is made under a warranty that relates to goods or services whether expressed, implied or required by law and the value of the warranty is included in the price of the goods or services, no tax shall be charged on such supply.

(4) Subsections (1) and (2) shall not apply to—

- (a) a sale of goods where sales tax has been paid on the sale of the goods to the extent covered by the invoice;
- (b) a provision of services where service tax has been paid on the services to the extent covered by the payment or invoice; or
- (c) any contract with no opportunity to review under section 187.