

## **Accounting basis**

**37.** (1) For the purposes of section 41, every taxable person shall account for tax on an invoice basis in accordance with the time of supply under sections 11, 13, 70, 72 and 73.

(2) Notwithstanding subsection (1), the Director General may, upon application in writing by any registered person and subject to the prescribed conditions, approve the registered person to account for the tax on a payment basis in accordance with the prescribed manner.

(3) Where the registered person has been approved to account for the tax on a payment basis under subsection (2) and elects not to proceed with the payment basis, he may apply in writing to the Director General to account for the tax in accordance with subsection (1).

(4) The Director General may refuse to approve the application made under subsection (2) or (3) as he deems fit.

(5) The Director General may, by notice in writing, revoke the approval under subsection (2) under the prescribed circumstances.

(6) Where there is a change in the basis of accounting, the registered person shall make adjustment of the tax in the prescribed manner.