

Adjustment of contracts on changes in rate of tax

67. Where after the entering into any contract for any taxable supply of goods or services and before the goods are supplied or services are performed, there is a change in the rate of tax charged on the supply, unless an express provision for the exclusion of any such change in the tax charged is contained in the contract or where the change in the rate of tax has been taken into account, the contract shall be deemed to be adjusted as follows:

- (a)* where the change in the rate of tax renders the supply liable to be charged with tax or increases the amount of any tax charged or chargeable in relation to the supply, the supplier may add to the agreed price in the contract the amount of the tax or the increase in the tax;
- (b)* where the change in the rate of tax renders the supply exempt from tax or reduces the amount of any tax charged or chargeable in relation to the supply, the supplier may deduct from the agreed price in the contract the amount of the tax or the reduction of the tax.