

## **Supplies of goods and services between connected persons**

9. (1) This regulation applies in relation to the supplies mentioned in regulations 4, 5, 8 or 10 where the supplies are made in the following circumstances:

- (a) the person making the supply is connected with the person to whom the supply is made; and
- (b) the person to whom the supply is made is not entitled to credit under section 38 of the Act for the whole or any part of the tax on the supply.

(2) For the purposes of subregulation (1), any question whether a person is connected with another shall be determined in accordance with paragraph 2 of the Third Schedule of the Act.

(3) Where this regulation applies, goods or services shall, to the extent that they have not been treated as supplied by virtue of the regulations specified in subregulation (1) and to the extent that they have been provided, be treated as separately and successively supplied at the end of the period of three months after the supplies commenced and thereafter at the end of each subsequent period of three months.

(4) Where this regulation applies, regulation 4, 5, 8 or 10 shall not apply to the extent that supplies have been treated as having taken place under this regulation.