HMRC - VATSC32000 - Consideration: What Is The Consideration?

The consideration for a particular supply is everything that the supplier receives for making that supply. Consideration may be money (MONETARY) or something other than money (NON-MONETARY), or it may be a combination of both.

Monetary consideration

Monetary consideration includes cash and payment by cheque; credit card; bank transfer deduction from pay, etc.

Non-monetary consideration

Non-monetary consideration includes goods or services supplied as payment, for example in a “barter” (including part exchange) agreement. Services provided include the giving up of a right, refraining from doing something, agreeing to suffer some loss etc in return for the supply. At first sight these appear to be merely conditions of an agreement but are in fact consideration for the supply. V1-12 Valuation contains detailed guidance on the valuation of non-monetary consideration and details of significant case law in this area.

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