

Construction Industry Domestic Reverse Charge

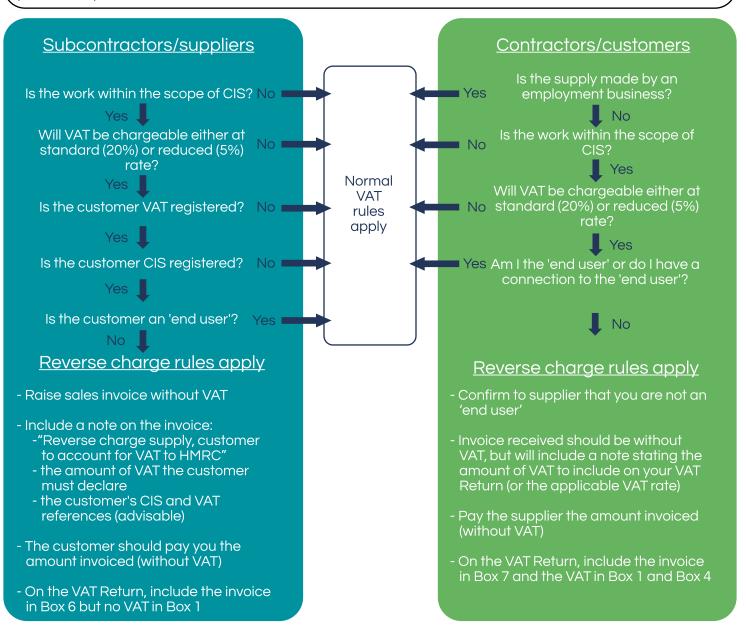
What's happening?

From 1 March 2021, VAT in the Construction Industry is changing. This change will affect both subcontractor and contractor positions in a chain (supplier and customer).

Where construction services are provided and certain conditions are met:

- the supplier will raise their sales invoice without VAT and receive payment without VAT;
- the customer will include both the sales VAT and the purchase VAT on their VAT Return;
- only the business invoicing the 'end user' will include VAT on their sales invoice.

Those businesses using the VAT Flat Rate Scheme should consider moving onto the standard scheme, as you are likely to be better off.



The Reverse Charge does not apply to the following:

- work that is zero-rated for VAT (i.e. new dwellings)
- employment businesses supplying staff
- professional fees such as surveyors/architects
- goods/hire-only with no labour supplied