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STATUTORY INSTRUMENTS

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**2023 No. 376**

**VALUE ADDED TAX**

**The Value Added Tax (Installation of Energy-Saving Materials) Order 2023**

<i>Made</i>	- - - -	<i>28th March 2023</i>
<i>Laid before the House of Commons</i>	- - - -	<i>29th March 2023</i>
<i>Coming into force</i>	- -	<i>1st May 2023</i>

The Treasury make this Order in exercise of the powers conferred by sections 29A(3), 30(4) and 96(9) of the Value Added Tax Act 1994<sup>(1)</sup>.

**Citation and commencement**

1. This Order may be cited as the Value Added Tax (Installation of Energy-Saving Materials) Order 2023 and comes into force on 1st May 2023.

**Amendments to the Value Added Tax Act 1994**

2. The Value Added Tax Act 1994 is amended as follows.

**Installation of energy-saving materials from 1st May 2023 to 31st March 2027 in Northern Ireland**

3.—(1) Schedule 8 (zero rating)<sup>(2)</sup> is amended as follows.

(2) In the table in Part 1 (index), in the entry for “energy-saving materials”, after “2027” insert “, and in Northern Ireland from 1st May 2023 to 31st March 2027”.

(3) In Part 2 (the Groups), in Group 23 (installation of energy-saving materials in England and Wales and Scotland from 1st April 2022 to 31st March 2027)—

- (a) in the heading, at the end insert “, and in Northern Ireland from 1st May 2023 to 31st March 2027”;
- (b) in items 1 and 2, in each place it occurs, omit “in England and Wales and Scotland”;
- (c) in note 3, for “on or after 1st April 2022 and before 1st April 2027” substitute—

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<sup>(1)</sup> 1994 c. 23. Section 29A was inserted by section 99(4) of the Finance Act 2001 (c. 9); section 96(9) was amended by paragraph 5 of Schedule 31 to the Finance Act 2001.

<sup>(2)</sup> Schedule 8 was relevantly amended by S.I. 2022/361, which added Group 23.

“—

- (a) where the residential accommodation is in England, Wales or Scotland, on or after 1st April 2022 and before 1st April 2027; and
- (b) where the residential accommodation is in Northern Ireland, on or after 1st May 2023 and before 1st April 2027”.

### **Installation of energy-saving materials from 1st April 2027**

4.—(1) Schedule 7A (charge at reduced rate)(3) is amended as follows.

(2) In the table in Part 1 (index), for “Energy-saving materials: installation in Northern Ireland” substitute “Installation of energy-saving materials from 1st April 2027”.

(3) In Part 2 (the Groups), in Group 2 (installation of energy-saving materials in Northern Ireland)

- (a) in the heading, for “in Northern Ireland” substitute “from 1st April 2027”;
- (b) for items 1 and 2 substitute—

“1. Relevant supplies of services of installing energy-saving materials in residential accommodation.

2. Relevant supplies of energy-saving materials by a person who installs those materials in residential accommodation.”;

- (c) omit item 3;
- (d) in the notes—
  - (i) omit note A1 (and the heading before it);
  - (ii) in note 1, after paragraph (e) insert—
    - “(f) wind turbines;
    - (g) water turbines;”;
  - (iii) omit note 4 (and the heading before it);
  - (iv) omit note 5 (and the heading before it);
  - (v) at the end insert—

“*Meaning of “relevant supplies”*

6. For the purposes of this Group “relevant supplies” means supplies made on or after 1st April 2027.”.

### **Consequential amendment**

5. In the Value Added Tax (Installation of Energy-Saving Materials) Order 2022(4) omit articles 3 and 8.

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(3) Schedule 7A was inserted by section 99(5) of, and paragraph 1 of Schedule 31 to, the Finance Act 2001 (c. 9). Relevant amending instruments are [S.I. 2002/1100](#), [2019/958](#) and [2022/361](#).

(4) [S.I. 2022/361](#).

28th March 2023

*Andrew Stephenson*  
*Steve Double*  
Two of the Lords Commissioners for His  
Majesty's Treasury

**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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## EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order introduces a temporary relief from VAT in the form of a zero rate to be applied to the supply of installation of energy-saving materials in Northern Ireland. The relief remains in force for the period from 1st May 2023 until 31st March 2027. The Order also widens the scope of the zero rate (from 1st May 2023 to 31st March 2027) and reduced rate (from 1st April 2027) for the installation of energy-saving materials in Northern Ireland. This aligns the treatment of the supply of installation of energy-saving materials in Northern Ireland with that in England and Wales and Scotland.

Article 3 amends Group 23 in Schedule 8 (zero-rating) of the Value Added Tax Act 1994 (c. 23) to extend the temporary zero-rate relief to the installation of energy-saving materials in Northern Ireland.

Article 4 amends Group 2 in Schedule 7A (reduced rating) to widen the reduced rate for the installation of energy-saving materials in Northern Ireland from 1st April 2027.

Article 5 makes consequential amendments to the Value Added Tax (Installation of Energy-Saving Materials) Order 2022 (S.I. 2022/361).

A Tax Information and Impact Note covering this instrument will be published on the government website at <https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins>.