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STATUTORY INSTRUMENTS

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**2024 No. 308**

**INCOME TAX**

**CORPORATION TAX**

The Income Tax (Construction Industry Scheme) (Amendment) Regulations 2024

<i>Made</i>	- - - -	<i>5th March 2024</i>
<i>Laid before the House of Commons</i>	- - - -	<i>8th March 2024</i>
<i>Coming into force</i>	- -	<i>6th April 2024</i>

The Commissioners for His Majesty's Revenue and Customs make the following Regulations in exercise of the powers conferred by section 60(7) and 73(1), (2) and (3) of, and paragraphs 4(3), 8(2) and 12(2) of Schedule 11 to, the Finance Act 2004(1) and now exercisable by them(2).

**Citation and commencement**

1. These Regulations may be cited as the Income Tax (Construction Industry Scheme) (Amendment) Regulations 2024 and come into force on 6th April 2024.

**Amendment of the Income Tax (Construction Industry Scheme) Regulations 2005**

2.—(1) The Income Tax (Construction Industry Scheme) Regulations 2005(3) are amended as follows.

(2) After regulation 20 (reverse premiums) insert—

**“Payments made by landlord to tenant**

**20A.—**(1) A payment under a construction contract(4) is not a contract payment(5) if—

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- (1) 2004 c. 12 (“the 2004 Act”). Paragraphs 4, 8 and 12 of Schedule 11 were relevantly amended by section 35 of the Finance Act 2024 (c. 3).
- (2) The functions of the Commissioners of Inland Revenue were transferred to the Commissioners for His Majesty's Revenue and Customs by section 5(1) of the Commissioners for Revenue and Customs Act 2005 (c. 11). Section 50(1) of that Act provides that, in so far as it is appropriate in consequence of section 5, a reference to the Commissioners of Inland Revenue, however expressed, is to be read as a reference to the Commissioners for His Majesty's Revenue and Customs.
- (3) S.I. 2005/2045, amended by S.I. 2016/348; there are other amending instruments but none is relevant.
- (4) “Construction contract” is defined in section 57 of the 2004 Act.
- (5) “Contract payment” is defined in section 60 of the 2004 Act.

- (a) the payment is made by or on behalf of the landlord,
  - (b) the person receiving the payment is a tenant or prospective tenant of the landlord,
  - (c) the payment is for construction operations<sup>(6)</sup> agreed in connection with a lease or an enforceable agreement to enter into a lease,
  - (d) the tenant that occupies or will occupy the property will carry out the construction operations itself, or a third person will carry out the construction operations pursuant to a contract with the tenant, and
  - (e) the payment is for construction operations relating to works intended primarily for the benefit and use of the tenant that occupies or will occupy the property under the lease.
- (2) For the purposes of this regulation—
- (a) references to “tenant” include, where the property is sub-let, a sub-tenant, and
  - (b) references to “landlord” include—
    - (i) the person who has legal or beneficial ownership of the property,
    - (ii) the person by whom the lease is granted or was granted at an earlier time, or
    - (iii) the person who will grant a lease in the future where they executed an enforceable agreement to enter into that lease.”.
- (3) In regulation 32 (exceptions from compliance obligations) in Table 3, column 1 (prescribed conditions)—
- (a) in row 1 for “Obligation to submit monthly contractor return within the required period.” substitute—

“Obligation to submit—

    - (a) monthly contractor return within the required period, or
    - (b) Value Added Tax returns.”, and
  - (b) in row 2—
    - (i) after sub-paragraph a) omit “or”, and
    - (ii) after sub-paragraph b) insert “, or c) Value Added Tax due to His Majesty’s Revenue and Customs following the submission of a Value Added Tax return as required by or under the Value Added Tax Act 1994(7).”.

5th March 2024

*Jim Harra*  
*Angela MacDonald*  
Two of the Commissioners for His Majesty’s  
Revenue and Customs

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<sup>(6)</sup> “Construction operations” is defined in section 74 of the 2004 Act.  
<sup>(7)</sup> 1994 c. 23.

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## EXPLANATORY NOTE

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

These Regulations amend the Income Tax (Construction Industry Scheme) Regulations 2005 ([S.I. 2005/2045](#)) (“the 2005 Regulations”).

Regulation 1 relates to citation and commencement.

Regulation 2(2) inserts new regulation 20A (payments made by landlord to tenant) into the 2005 Regulations which exempts certain payments made by a landlord to a tenant from the definition of a “contract payment” in section 60 of the Finance Act 2004.

Regulation 2(3) inserts references to value added tax (“VAT”) returns and VAT payment obligations into Column 1 of Table 3 in regulation 32 of the 2005 Regulations. Regulation 32 currently sets out four prescribed obligations, each with prescribed circumstances in which an exception from that compliance obligation would apply. The amendment adds an obligation to submit VAT returns and an obligation to pay VAT to the current prescribed obligations and creates separate exceptions for VAT returns and VAT payment.

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