



Finance Act 2024

2024 CHAPTER 3

PART 3

MISCELLANEOUS AND FINAL

Evasion, avoidance etc

35 Construction industry scheme: gross payment status

(1) FA 2004 is amended as follows.

(2) In section 66 (cancellation of registration for gross payment)—

(a) in subsection (1)—

(i) in paragraph (b), after “sub-contractor” insert “in connection with an obligation arising”;

(ii) in paragraph (c), for “any such provision” substitute “an obligation arising under or in connection with any provision of this Chapter or of regulations made under it”.

(b) in subsection (3)—

(i) for paragraph (b) substitute—

“(b) has fraudulently made an incorrect return or has fraudulently provided incorrect information (whether as a contractor or a sub-contractor) in connection with an obligation—

(i) arising under any provision of this Chapter or of regulations made under it;

(ii) arising under any provision of PAYE regulations;

(iii) to submit a self-assessment return;

(iv) arising under any provision of the Value Added Tax Act 1994 or of regulations made under it, or”;

Status: This is the original version (as it was originally enacted).

- (ii) in paragraph (c), for “any such provision” substitute “an obligation arising under or in connection with any provision of this Chapter or of regulations made under it”.
- (3) In Schedule 11 (conditions for registration for gross payment)—
- (a) in paragraph 4, in sub-paragraph (1)(a)—
- (i) in sub-paragraph (iii), for “the PAYE Regulations ([SI 2003/2682](#))” substitute “PAYE regulations”;
- (ii) at the end insert—
- “(v) to account for or pay VAT as required by or under the Value Added Tax Act 1994, and”;
- (b) in paragraph 8, in sub-paragraph (1)(a)—
- (i) in sub-paragraph (iii), for “the PAYE Regulations ([SI 2003/2682](#))” substitute “PAYE regulations”;
- (ii) at the end insert—
- “(v) to account for or pay VAT as required by or under the Value Added Tax Act 1994, and”;
- (c) in paragraph 12, in sub-paragraph (1)(a)—
- (i) in sub-paragraph (iii), for “the PAYE Regulations ([SI 2003/2682](#))” substitute “PAYE regulations”;
- (ii) at the end insert—
- “(v) to account for or pay VAT as required by or under the Value Added Tax Act 1994, and”.
- (4) The amendments in this section have effect in relation to—
- (a) applications for gross payment status made on or after 6 April 2024, and
- (b) registrations for gross payment status which are in effect on or after 6 April 2024 (but see [subsection \(5\)](#)).
- (5) When making a determination under section 66(1)(a) of FA 2004 (cancellation of registration for gross payment) in relation to a person registered for gross payment status before 6 April 2024, any failure by that person before 6 April 2024 to comply with an obligation to account for or pay VAT must be disregarded (notwithstanding the amendments made by [subsection \(3\)](#)).