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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 England and Wales and Scotland. The relief remains in force for the period from 1st April 2022 until 31st March 2027. The Order also widens the scope of the zero rate (from 1st April 2022 to 31st March 2027) and reduced rate (from 1st April 2027) for the installation of energy-saving materials in England and Wales and Scotland.

Article 5 amends Group 2 in Schedule 7A (reduced rating) of the Value Added Tax Act 1994 (c. 23) to maintain the reduced rate for the installation of energy-saving materials in Northern Ireland.

Article 6 provides that where a supply could fall within Group 3 (grant-funded installation of heating equipment or security goods or connections of gas supply) in Schedule 7A or new Group 23 in Schedule 8 (zero-rating), Group 23 applies.

Article 7 inserts into Schedule 8 a new Group 23 which describes the installation of energy-saving materials in England and Wales and Scotland that will attract the temporary zero-rate relief.

After the end of the temporary zero-rate relief for the installation of energy-saving materials in England and Wales and Scotland, article 8 provides that those supplies will be reduced-rated by inserting new items 4 and 5 into Group 2 of Schedule 7A.

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>.