

Construction Industry and domestic reverse charge – October 2019

(Update - June 2019)

HMRC has updated its guidance on the domestic reverse charge and it has some fundamental changes within it that may impact any agency working in the construction sector.

The construction industry is preparing for quite a profound change in VAT rules with the introduction of the domestic reverse charge on 1 October 2019 - if those services are subject to the CIS rules. HMRC has just published their notice on this topic and there is one aspect which may affect recruiters working with clients in the sector.

HMRC's full notice can be found [here](#). However, it is the section 'Services that are affected by the domestic reverse charge' which is of particular interest as it states

'Employment businesses who supply staff and who are responsible for paying the temporary workers they supply, are not subject to the reverse charge.'

This appears to be good news but there are inevitably some important qualifications here.

If you require some specific advice on the reverse charge please contact the Client Account Management team on the details below who will be happy to introduce you to a member of our VAT team who will be able to help.

RSM Employer Services Client Account Management Team

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