



## Construction industry and VAT accounting – changes delayed to 1 March 2021

Businesses operating in the construction industry will be aware that there are to be substantial changes to the way VAT is to be accounted for within the industry, in brief summary, the changes mean that in certain circumstances the supplier of services will not charge VAT, but instead the customer will self-account for VAT.

We have previously provided details of these changes which can be found on our website, for quick reference one of our publications can be found via the following link.

[Previous update: Changes to accounting for VAT in the construction industry](#)

We have been advising our clients on the detail behind these changes and the impact on their VAT accounting, as well as the new procedures that need to be in place in order to be VAT compliant when the changes take effect. We have been doing this since the changes were announced in 2018.

The changes were due to be implemented on 1 October 2019, this was then delayed by 12 months to 1 October 2020, by HMRC, which was a result of feedback from the industry that businesses were not yet prepared for the changes.

As a result of COVID-19 and giving businesses further time to prepare, the implementation has been delayed by a further five months to **1 March 2021**.

Please contact Jas Dhillon ([jaspaldhillon@lubbockfine.co.uk](mailto:jaspaldhillon@lubbockfine.co.uk)) our VAT director to discuss further.

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