SCHEDULES

SCHEDULE 1

WORKERS' SERVICES PROVIDED THROUGH INTERMEDIARIES

PART 4

COMMENCEMENT AND TRANSITIONAL PROVISIONS

Commencement

24 The amendments made by Part 1 of this Schedule have effect for the tax year 2021-22 and subsequent tax years.

25 The amendments made by Part 2 of this Schedule have effect in relation to deemed direct payments treated as made on or after 6 April 2021.

26 The amendment made by paragraph 18 of this Schedule has effect for the purposes of determining whether section 61D of ITEPA 2003 applies in a case where the payment or benefit mentioned in subsection (1)(b) of that section is received on or after 6 April 2021.

27 The amendment made by paragraph 20 of this Schedule has effect in relation to payments made under a construction contract on or after 6 April 2021.

28 The amendments made by paragraph 23 of this Schedule have effect in relation to expenditure incurred on or after 6 April 2021.

29 Sections 101 to 103 of FA 2009 (interest) come into force on 6 April 2021 in relation to amounts payable or paid to Her Majesty's Revenue and Customs under regulations made by virtue of section 688AA of ITEPA 2003 (as inserted by paragraph 19 of this Schedule).

Transitional provisions

30 (1) This paragraph applies where—

(a) the client in the case of an engagement to which Chapter 10 of Part 2 of ITEPA 2003 applies is not a public authority within the meaning given by section 61L of ITEPA 2003 (as that section had effect before the amendments made by paragraph 10 of this Schedule), and

(b) a chain payment is made on or after 6 April 2021 that can reasonably be taken to be for services performed by the worker before 6 April 2021.

(2) The chain payment is to be disregarded for the purposes of Chapter 10 of Part 2 of ITEPA 2003.

31 (1) This paragraph applies where—

(a) the client in the case of an engagement to which Chapter 10 of Part 2 of ITEPA 2003 applies is not a public authority within the meaning given by

section 61L of ITEPA 2003 (as that section had effect before the amendments made by paragraph 10 of this Schedule), and

(b) one or more qualifying chain payments are made in the tax year 2021-22 or a subsequent tax year ("the tax year concerned") to the intermediary.

(2) A chain payment made to the intermediary is a qualifying chain payment if it can reasonably be taken to be for services performed by the worker before 6 April 2021.

(3) A chain payment made to the intermediary is also a qualifying chain payment if—

(a) another chain payment ("the earlier payment") was made before 6 April 2021 to a person other than the intermediary,

(b) the earlier payment can reasonably be taken to be for the same services as the chain payment made to the intermediary, and

(c) the person who made the earlier payment would, but for paragraph 25 of this Schedule, have been treated by section 61N(3) and (4) of ITEPA 2003 as making a deemed direct payment to the worker at the same time as they made the earlier payment.

(4) Chapter 8 of Part 2 of ITEPA 2003 applies in relation to the engagement for the tax year concerned (in addition to Chapter 10 of Part 2 of ITEPA 2003), but as if—

(a) the amendments made by Part 1 of this Schedule had not been made, and

(b) the qualifying chain payments received by the intermediary in the tax year concerned are the only payments and benefits received by the intermediary in that year in respect of the engagement.

32 (1) This paragraph applies for the purposes of paragraphs 30 and 31 where a chain payment ("the actual payment") is made that can reasonably be taken to be for services of the worker performed during a period that begins before and ends on or after 6 April 2021.

(2) The actual payment is to be treated as two separate chain payments—

(a) one consisting of so much of the amount or value of the actual payment as can on a just and reasonable apportionment be taken to be for services performed before 6 April 2021, and

(b) another consisting of so much of the amount or value of the actual payment as can on a just and reasonable apportionment be taken to be for services performed on or after 6 April 2021.

33 For the purposes of section 61N(5), (5A)(a) and (8)(za) of ITEPA 2003 it does not matter whether the status determination statement concerned is given before 6 April 2021 or on or after that date.

34 For the purposes of section 61T of ITEPA 2003—

(a) it does not matter whether the representations to the client mentioned in subsection (1) of that section were made before 6 April 2021 or on or after that date, but

(b) in a case where the representations were made before 6 April 2021 that section has effect as if the reference in subsection (3) to the date the client receives the representations were to 6 April 2021.