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## SCHEDULES

### SCHEDULE 1

Section 7

#### WORKERS' SERVICES PROVIDED THROUGH INTERMEDIARIES

##### PART 1

###### AMENDMENTS TO CHAPTER 8 OF PART 2 OF ITEPA 2003

- 1 Chapter 8 of Part 2 of ITEPA 2003 (application of provisions to workers under arrangements made by intermediaries) is amended as follows.
- 2 For the heading of the Chapter substitute “Workers' services provided through intermediaries to small clients”.
- 3 (1) Section 48 (scope of Chapter) is amended as follows.
  - (2) In subsection (1) for the words from “, but” to the end substitute “in a case where the services are provided to a person who is not a public authority and who either—
    - (a) qualifies as small for a tax year, or
    - (b) does not have a UK connection for a tax year.”
  - (3) After subsection (3) insert—
    - “(4) For provisions determining when a person qualifies as small for a tax year, see sections 60A to 60G.
    - (5) For provision determining when a person has a UK connection for a tax year, see section 60L.”
- 4 (1) Section 50 (worker treated as receiving earnings from employment) is amended as follows.
  - (2) In subsection (1) before paragraph (a) insert—

“(za) the client qualifies as small or does not have a UK connection,”.
  - (3) After subsection (4) insert—
    - “(5) The condition in paragraph (za) of subsection (1) is to be ignored if—
      - (a) the client concerned is an individual, and
      - (b) the services concerned are performed otherwise than for the purposes of the client's business.
    - (6) For the purposes of paragraph (za) of subsection (1) the client is to be treated as not qualifying as small for the tax year concerned if the client is treated as medium or large for that tax year by reason of section 61TA(3)(a).”
- 5 After section 60 insert—

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*“When a person qualifies as small for a tax year*

**60A When a company qualifies as small for a tax year**

- (1) For the purposes of this Chapter, a company qualifies as small for a tax year if one of the following conditions is met (but this is subject to section 60C).
- (2) The first condition is that the company's first financial year is not relevant to the tax year.
- (3) The second condition is that the small companies regime applies to the company for its last financial year that is relevant to the tax year.
- (4) For the purposes of this section, a financial year of a company is “relevant to” a tax year if the period for filing the company's accounts and reports for the financial year ends before the beginning of the tax year.
- (5) Expressions used in this section and in the Companies Act 2006 have the same meaning in this section as in that Act.

**60B When a company qualifies as small for a tax year: joint ventures**

- (1) This section applies when determining for the purposes of section 60A(3) whether the small companies regime applies to a company for a financial year in a case where—
  - (a) at the end of the financial year the company is jointly controlled by two or more other persons, and
  - (b) one or more of those other persons are undertakings (“the joint venturer undertakings”).
- (2) If the company is a parent company, the joint venturer undertakings are to be treated as members of the group headed by the company.
- (3) If the company is not a parent company, the company and the joint venturer undertakings are to be treated as constituting a group of which the company is the parent company.
- (4) In this section the expression “jointly controlled” is to be read in accordance with those provisions of international accounting standards which relate to joint ventures.
- (5) Expressions used in this section and in the Companies Act 2006 have the same meaning in this section as in that Act.

**60C When a company qualifies as small for a tax year: subsidiaries**

- (1) A company does not qualify as small for a tax year by reason of the condition in section 60A(3) being met if—
  - (a) the company is a member of a group at the end of its last financial year that is relevant to the tax year,
  - (b) the company is not the parent undertaking of that group at the end of that financial year, and

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- (c) the undertaking that is the parent undertaking of that group at that time does not qualify as small in relation to its last financial year that is relevant to the tax year.
- (2) Where the parent undertaking mentioned in subsection (1)(c) is not a company, sections 382 and 383 of the Companies Act 2006 have effect for determining whether the parent undertaking qualifies as small in relation to its last financial year that is relevant to the tax year as if references in those sections to a company and a parent company included references to an undertaking and a parent undertaking.
  - (3) For the purposes of subsections (1)(c) and (2) a financial year of an undertaking that is not a company is “relevant to” a tax year if it ends at least 9 months before the beginning of the tax year.
  - (4) For the purposes of this section, a financial year of a company is “relevant to” a tax year if the period for filing the company's accounts and reports for the financial year ends before the beginning of the tax year.
  - (5) Expressions used in this section and in the Companies Act 2006 have the same meaning in this section as in that Act.

#### **60D When a relevant undertaking qualifies as small for a tax year**

- (1) Sections 60A to 60C apply in relation to a relevant undertaking as they apply in relation to a company, subject to any necessary modifications.
- (2) In this section “relevant undertaking” means an undertaking in respect of which regulations have effect under—
  - (a) section 15(a) of the Limited Liability Partnerships Act 2000,
  - (b) section 1043 of the Companies Act 2006 (unregistered companies),  
or
  - (c) section 1049 of the Companies Act 2006 (overseas companies).
- (3) Expressions used in this section and in the Companies Act 2006 have the same meaning in this section as in that Act.

#### **60E When other undertakings qualify as small for a tax year**

- (1) An undertaking that is not a company or a relevant undertaking qualifies as small for a tax year if one of the following conditions is met.
- (2) The first condition is that the undertaking's first financial year is not relevant to the tax year.
- (3) The second condition is that the undertaking's turnover for its last financial year that is relevant to the tax year is not more than the amount for the time being specified in the second column of item 1 of the Table in section 382(3) of the Companies Act 2006.
- (4) For the purposes of this section a financial year of an undertaking is “relevant to” a tax year if it ends at least 9 months before the beginning of the tax year.
- (5) In this section—

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“relevant undertaking” has the meaning given by section 60D, and

“turnover”, in relation to an undertaking, means the amounts derived from the provision of goods or services after the deduction of trade discounts, value added tax and any other taxes based on the amounts so derived.

- (6) Expressions used in this section and in the Companies Act 2006 have the same meaning in this section as in that Act.

### **60F When other persons qualify as small for a tax year**

- (1) For the purposes of this Chapter, a person who is not a company, relevant undertaking or other undertaking qualifies as small for a tax year if the person's turnover for the last calendar year before the tax year is not more than the amount for the time being specified in the second column of item 1 of the Table in section 382(3) of the Companies Act 2006.

- (2) In this section—

“company” and “undertaking” have the same meaning as in the Companies Act 2006,

“relevant undertaking” has the meaning given by section 60D, and

“turnover”, in relation to a person, means the amounts derived from the provision of goods or services after the deduction of trade discounts, value added tax and any other taxes based on the amounts so derived.

### **60G Sections 60A to 60F: connected persons**

- (1) This section applies where—

- (a) it is necessary for the purposes of determining whether a person qualifies as small for a tax year (“the tax year concerned”) to first determine the person's turnover for a financial year or calendar year (“the assessment year”), and
- (b) at the end of the assessment year the person is connected with one or more other persons (“the connected persons”).

- (2) For the purposes of determining whether the person qualifies as small for the tax year concerned the person's turnover for the assessment year is to be taken to be the sum of—

- (a) the person's turnover for the assessment year, and
- (b) the relevant turnover of each of the connected persons.

- (3) In subsection (2)(b) “the relevant turnover” of a connected person means—

- (a) in a case where the connected person is a company, relevant undertaking or other undertaking, its turnover for its last financial year that is relevant to the tax year concerned, and
- (b) in a case where the connected person is not a company, relevant undertaking or other undertaking, the turnover of the connected person for the last calendar year ending before the tax year concerned.

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- (4) For the purposes of subsection (3)(a)—
- (a) a financial year of a company or relevant undertaking is relevant to the tax year concerned if the period for filing accounts and reports for the financial year ends before the beginning of the tax year concerned, and
  - (b) a financial year of any other undertaking is relevant to the tax year concerned if it ends more than 9 months before the beginning of the tax year concerned.
- (5) In a case where—
- (a) the person mentioned in subsection (1)(a) is a company or relevant undertaking, and
  - (b) at the end of the assessment period the person is a member of a group,
- the person is to be treated for the purposes of this section as not being connected with any person that is a member of that group.
- (6) In this section—
- “turnover”, in relation to a person, means the amounts derived from the provision of goods or services after the deduction of trade discounts, value added tax and any other taxes based on the amounts so derived, and
  - “relevant undertaking” has the meaning given by section 60D.
- (7) For provision determining whether one person is connected with another, see section 718 (connected persons).
- (8) Expressions used in this section and in the Companies Act 2006 have the same meaning in this section as in that Act.

#### **60H Duty on client to state whether it qualifies as small for a tax year**

- (1) This section applies if, in the case of an engagement that meets conditions (a) to (b) in section 49(1), the client receives from the client's agent or the worker a request to state whether in the client's opinion the client qualifies as small for a tax year specified in the request.
- (2) The client must provide to the person who made the request a statement as to whether in the client's opinion the client qualifies as small for the tax year specified in the request.
- (3) If the client fails to provide the statement by the time mentioned in subsection (4) the duty to do so is enforceable by an injunction or, in Scotland, by an order for specific performance under section 45 of the Court of Session Act 1988.
- (4) The time is whichever is the later of—
  - (a) the end of the period of 45 days beginning with the date the client receives the request, and
  - (b) the beginning of the period of 45 days ending with the start of the tax year specified in the request.

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- (5) In this section “the client's agent” means a person with whom the client entered into a contract as part of the arrangements mentioned in paragraph (b) of section 49(1).

*When a person has a UK connection*

### **60I When a person has a UK connection for a tax year**

- (1) For the purposes of this Chapter, a person has a UK connection for a tax year if (and only if) immediately before the beginning of that tax year the person—
- (a) is resident in the United Kingdom, or
  - (b) has a permanent establishment in the United Kingdom.
- (2) In this section “permanent establishment”—
- (a) in relation to a company, is to be read (by virtue of section 1007A of ITA 2007) in accordance with Chapter 2 of Part 24 of CTA 2010, and
  - (b) in relation to any other person, is to be read in accordance with that Chapter but as if references in that Chapter to a company were references to that person.

Interpretation ”

- 6 In section 61(1) (interpretation), in the definition of company, before “means” insert “(except in sections 60A to 60G)”.

## **PART 2**

### AMENDMENTS TO CHAPTER 10 OF PART 2 OF ITEPA 2003

- 7 Chapter 10 of Part 2 of ITEPA 2003 (workers' services provided to public sector through intermediaries) is amended as follows.
- 8 For the heading of the Chapter substitute “Workers' services provided through intermediaries to public authorities or medium or large clients”.
- 9 (1) Section 61K (scope of Chapter) is amended as follows.
- (2) In subsection (1) for the words “to a public authority through an intermediary” substitute “through an intermediary in a case where the services are provided to a person who—
- (a) is a public authority, or
  - (b) qualifies as medium or large and has a UK connection for a tax year”.
- (3) After subsection (2) insert—
- “(3) For the purposes of this Chapter a person qualifies as medium or large for a tax year if the person does not qualify as small for the tax year for the purposes of Chapter 8 of this Part (see sections 60A to 60G).
- (4) Section 60I (when a person has a UK connection for a tax year) applies for the purposes of this Chapter.”
- 10 In section 61L (meaning of “public authority”) in subsection (1)—

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- (a) after paragraph (a) insert—
    - “(aa) a body specified in section 23(3) of the Freedom of Information Act 2000,”
  - (b) omit the “or” at the end of paragraph (e), and
  - (c) after paragraph (f) insert “, or
    - (g) a company connected with any person mentioned in paragraphs (a) to (f).”
- 11 (1) Section 61M (engagements to which the Chapter applies) is amended as follows.
- (2) In subsection (1)—
- (a) omit paragraph (b),
  - (b) omit the “and” at the end of paragraph (c), and
  - (c) after paragraph (c) insert—
    - “(ca) the client—
      - (i) is a public authority, or
      - (ii) is a person who qualifies as medium or large and has a UK connection for one or more tax years during which the arrangements mentioned in paragraph (c) have effect, and”.
- (3) After subsection (1) insert—
- “(1A) But sections 61N to 61R do not apply if—
- (a) the client is an individual, and
  - (b) the services are provided otherwise than for the purposes of the client's trade or business.”
- 12 (1) Section 61N (worker treated as receiving earnings from employment) is amended as follows.
- (2) In subsection (3)—
- (a) after “subsections (5) to (7)” insert “ and (8A) ”, and
  - (b) after “61T” insert “, 61TA ”.
- (3) For subsection (5) substitute—
- “(5) Unless and until the client gives a status determination statement to the worker (see section 61NA), subsections (3) and (4) have effect as if for any reference to the fee-payer there were substituted a reference to the client; but this is subject to section 61V.
- (5A) Subsections (6) and (7) apply, subject to sections 61T, 61TA and 61V, if—
- (a) the client has given a status determination statement to the worker,
  - (b) the client is not the fee-payer, and
  - (c) the fee-payer is not a qualifying person.”
- (4) In subsection (8) (meaning of “qualifying person”) before paragraph (a) insert—
- “(za) has been given by the person immediately above them in the chain the status determination statement given by the client to the worker,”.
- (5) After subsection (8) insert—

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“(8A) If the client is not a public authority, a person is to be treated by subsection (3) as making a deemed direct payment to the worker only if the chain payment made by the person is made in a tax year for which the client qualifies as medium or large and has a UK connection.”

13 After section 61N insert—

**“61NA Meaning of status determination statement**

(1) For the purposes of section 61N “status determination statement” means a statement by the client that—

- (a) states that the client has concluded that the condition in section 61M(1)(d) is met in the case of the engagement and explains the reasons for that conclusion, or
- (b) states (albeit incorrectly) that the client has concluded that the condition in section 61M(1)(d) is not met in the case of the engagement and explains the reasons for that conclusion.

(2) But a statement is not a status determination statement if the client fails to take reasonable care in coming to the conclusion mentioned in it.

(3) For further provisions concerning status determination statements, see section 61T (client-led status disagreement process) and section 61TA (duty for client to withdraw status determination statement if it ceases to be medium or large).”

14 In section 61O(1) (conditions where intermediary is a company) for paragraph (b) substitute—

- “(b) it is the case that—
- (i) the worker has a material interest in the intermediary,
  - (ii) the worker has received a chain payment from the intermediary, or
  - (iii) the worker has rights which entitle, or which in any circumstances would entitle, the worker to receive a chain payment from the intermediary.”

15 In section 61R (application of Income Tax Acts in relation to deemed employment) omit subsection (7).

16 For section 61T substitute—

**“61T Client-led status disagreement process**

(1) This section applies if, before the final chain payment is made in the case of an engagement to which this Chapter applies, the worker or the deemed employer makes representations to the client that the conclusion contained in a status determination statement is incorrect.

(2) The client must either—

- (a) give a statement to the worker or (as the case may be) the deemed employer that—
  - (i) states that the client has considered the representations and has decided that the conclusion contained in the status determination statement is correct, and



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- (ii) states the reasons for that decision, or
- (b) give a new status determination statement to the worker and the deemed employer that—
  - (i) contains a different conclusion from the conclusion contained in the previous status determination statement,
  - (ii) states the date from which the client considers that the conclusion contained in the new status determination statement became correct, and
  - (iii) states that the previous status determination statement is withdrawn.
- (3) If the client fails to comply with the duty in subsection (2) before the end of the period of 45 days beginning with the date the client receives the representations, section 61N(3) and (4) has effect from the end of that period until the duty is complied with as if for any reference to the fee-payer there were substituted a reference to the client; but this is subject to section 61V.
- (4) A new status determination statement given to the deemed employer under subsection (2)(b) is to be treated for the purposes of section 61N(8)(za) as having been given to the deemed employer by the person immediately above the deemed employer in the chain.
- (5) In this section—
  - “the deemed employer” means the person who, assuming one of conditions A to C in section 61N were met, would be treated as making a deemed direct payment to the worker under section 61N(3) on the making of a chain payment;
  - “status determination statement” has the meaning given by section 61NA.

#### **61TA Duty for client to withdraw status determination statement if it ceases to be medium or large**

- (1) This section applies if in the case of an engagement to which this Chapter applies—
  - (a) the client is not a public authority,
  - (b) the client gives a status determination statement to the worker, the client's agent or both, and
  - (c) the client does not (but for this section) qualify as medium or large for a tax year beginning after the status determination statement is given.
- (2) Before the beginning of the tax year the client must give a statement to the relevant person, or (as the case may be) to both of the relevant persons, stating—
  - (a) that the client does not qualify as medium or large for the tax year, and
  - (b) that the status determination statement is withdrawn with effect from the beginning of the tax year.
- (3) If the client fails to comply with that duty the following rules apply in relation to the engagement for the tax year—

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- (a) the client is to be treated as medium or large for the tax year, and
  - (b) section 61N(3) and (4) have effect as if for any reference to the fee-payer there were substituted a reference to the client.
- (4) For the purposes of subsection (2)—
- (a) the worker is a relevant person if the status determination statement was given to the worker, and
  - (b) the deemed employer is a relevant person if the status determination statement was given to the client's agent.
- (5) In this section—
- “client's agent” means a person with whom the client entered into a contract as part of the arrangements mentioned in section 61M(1)(c);
  - “the deemed employer” means the person who, assuming one of conditions A to C in section 61N were met, would be treated as making a deemed direct payment to the worker under section 61N(3) on the making of a chain payment;
  - “status determination statement” has the meaning given by section 61NA.”
- 17 (1) Section 61W (prevention of double charge to tax and allowance of certain deductions) is amended as follows.
- (2) In subsection (1)—
- (a) in paragraph (b) for “a public authority” substitute “ another person (“the client”)”, and
  - (b) in paragraph (d) for “that public authority” substitute “ the client ”.
- (3) In subsection (2)(b) for “public authority” substitute “ client ”.

### PART 3

#### CONSEQUENTIAL AND MISCELLANEOUS AMENDMENTS

- 18 In section 61D of ITEPA 2003 (managed service companies: worker treated as receiving earnings from employment) for subsection (4A) substitute—
- “(4A) This section does not apply where the provision of the relevant services gives rise (directly or indirectly) to an engagement to which Chapter 10 applies and either—
- (a) the client for the purposes of section 61M(1) is a public authority, or
  - (b) the client for the purposes of section 61M(1)—
    - (i) qualifies as medium or large for the tax year in which the payment or benefit mentioned in subsection (1)(b) is received, and
    - (ii) has a UK connection for the tax year in which the payment or benefit mentioned in subsection (1)(b) is received.
- (4B) Sections 60I (when a person has a UK connection for a tax year), 61K(3) (when a person qualifies as medium or large for a tax year) and 61L (meaning of public authority) apply for the purposes of subsection (4A).

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(4C) It does not matter for the purposes of subsection (4A) whether the client for the purposes of this Chapter is also “the client” for the purposes of section 61M(1).”

19 After section 688A of ITEPA 2003 insert—

**“688AA Workers' services provided through intermediaries: recovery of PAYE**

(1) PAYE Regulations may make provision for, or in connection with, the recovery of a deemed employer PAYE debt from a relevant person.

(2) “A deemed employer PAYE debt” means an amount—

- (a) that a person (“the deemed employer”) is liable to pay under PAYE regulations in consequence of being treated under section 61N(3) as having made a deemed direct payment to a worker, and
- (b) that an officer of Revenue and Customs considers there is no realistic prospect of recovering from the deemed employer within a reasonable period.

(3) “Relevant person”, in relation to a deemed employer PAYE debt, means a person who is not the deemed employer and who—

- (a) is the highest person in the chain identified under section 61N(1) in determining that the deemed employer is to be treated as having made the deemed direct payment, or
- (b) is the second highest person in that chain and is a qualifying person (within the meaning given by section 61N(8)) at the time the deemed employer is treated as having made that deemed direct payment.”

20 In section 60 of FA 2004 (construction industry scheme: meaning of contract payments) after subsection (3) insert—

“(3A) This exception applies in so far as—

- (a) the payment can reasonably be taken to be for the services of an individual, and
- (b) the provision of those services gives rise to an engagement to which Chapter 10 of Part 2 of ITEPA 2003 applies (workers' services provided through intermediaries to public authorities or medium or large clients).

(3B) But the exception in subsection (3A) does not apply if, in the case of the engagement mentioned in paragraph (b) of that subsection, the client for the purposes of section 61M(1) of ITEPA 2003—

- (a) is not a public authority, and
- (b) either—
  - (i) does not qualify as medium or large for the tax year in which the payment concerned is made, or
  - (ii) does not have a UK connection for the tax year in which the payment concerned is made.

(3C) Sections 60I (when a person has a UK connection for a tax year), 61K(3) (when a person qualifies as medium or large for a tax year) and 61L

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(meaning of public authority) of ITEPA 2003 apply for the purposes of subsection (3B).”

21 For the italic heading before section 141A of CTA 2009 substitute “ Worker's services provided through intermediary to public authority or medium or large client ”.

22 In the heading of section 141A of CTA 2009 for “public sector” substitute “ public authority or medium or large client ”.

23 (1) Part 13 of CTA 2009 (additional relief for expenditure on research and development) is amended as follows.

(2) In section 1129 (qualifying expenditure on externally provided workers: connected persons) after subsection (4) insert—

“(4A) In subsection (2) the reference to the staff provision payment is to that payment before any deduction is made from the payment under—

- (a) section 61S of ITEPA 2003,
- (b) regulation 19 of the Social Security Contributions (Intermediaries) Regulations 2000, or
- (c) regulation 19 of the Social Security Contributions (Intermediaries) (Northern Ireland) Regulations 2000.”

(3) In section 1131 (qualifying expenditure on externally provided workers: other cases) after subsection (2) insert—

“(3) In subsection (2) the reference to the staff provision payment is to that payment before any deduction is made from the payment under—

- (a) section 61S of ITEPA 2003,
- (b) regulation 19 of the Social Security Contributions (Intermediaries) Regulations 2000, or
- (c) regulation 19 of the Social Security Contributions (Intermediaries) (Northern Ireland) Regulations 2000.”

(4) After section 1131 insert—

**“1131A Sections 1129 and 1131: secondary Class 1 NICs paid by company**

(1) This section applies if—

- (a) a company makes a staff provision payment,
- (b) the company is treated as making a payment of deemed direct earnings the amount of which is calculated by reference to the amount of the staff provision payment, and
- (c) the company pays a secondary Class 1 national insurance contribution in respect of the payment of deemed direct earnings.

(2) In determining the company's qualifying expenditure on externally provided workers in accordance with section 1129(2) or section 1131(2) the amount of the staff payment provision is to be treated as increased by the amount of the contribution.

(3) In determining the company's qualifying expenditure on externally provided workers in accordance with section 1129(2) the aggregate of the relevant

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expenditure of each staff controller is to be treated as increased by the amount of the contribution.

- (4) But subsection (2) does not apply to the extent that the expenditure incurred by the company in paying the contribution is met directly or indirectly by a staff controller.
- (5) “A payment of deemed direct earning” means a payment the company is treated as making by reason of regulation 14 of the Social Security Contributions (Intermediaries) Regulations 2000 or regulation 14 of the Social Security Contributions (Intermediaries) (Northern Ireland) Regulations 2000.”

## 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—

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- (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.

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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 102(ba) inserted by [2024 c. 3 s. 12\(3\)\(a\)\(ii\)](#)
- Sch. 15 Pt. 2 inserted by [2024 c. 3 s. 12\(2\)](#)
- Sch. 15 Pt. 1 heading inserted by [2024 c. 3 s. 12\(3\)\(b\)](#)