

Federation of Master Builders  
Chief Executive's Office  
David Croft House, 25 Ely Place, London, EC1N 6TD



Rt Hon Rishi Sunak MP  
Chancellor of the Exchequer  
HM Treasury  
1 Horse Guards Road  
London SW1A 2HQ

14 January 2021

Dear Chancellor

**Re: Call to withdraw reverse charge VAT in Construction**

We are writing to you as the major trade bodies in the construction industry to follow-up on our letter of 10 December 2020, and reiterate our call to you to withdraw the introduction of reverse charge VAT.

We have appreciated the Government's explicit recognition of the role construction is playing in keeping vital services and infrastructure running during the pandemic, and the construction sector remains committed to working with the Government to play a positive role in the country's longer term economic recovery.

Reverse charge VAT will restrict cashflow in a vital industry, especially to the smallest firms, at just about the worst time. This policy risks reversing what modest recovery the industry has made from the pandemic and will limit the scope for protecting and creating jobs at a time when our country needs a strong construction sector the most.

As set out in our previous letter, the on-going emergency support for the business community in response to COVID-19 has been very welcome. However, reverse charge VAT, especially if implemented at this time, risks negating these benefits. Indeed, the combination of the latest lockdown restrictions, together with on-going issues in accessing materials from the EU, means that the timing presently could not be worse.

The policy needs to be withdrawn as a matter of urgency and we hope you will use the forthcoming Budget to make this change.

In doing so, the Government will avoid significantly negative consequences for the industry. Due to the public interest nature of this issue, we will be releasing this letter to the media.

Yours sincerely

A handwritten signature in black ink, appearing to read "Brian Berry", with a long horizontal line extending to the right from the end of the signature.

**Brian Berry FRSA**  
**CHIEF EXECUTIVE**  
**Federation of Master Builders**

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Supporting this letter

Build UK Contractor and Trade Association members which include:

Asbestos Control and Abatement Division (ACAD)  
Association for Specialist Fire Protection (ASFP)  
Association of Concrete Industrial Flooring Contractors (ACIFC)  
Association of Ductwork Contractors and Allied Services (ADCAS)  
Association of Fencing Industries (AFI)  
Association of Lorry Loader Manufacturers and Importers (ALLMI)  
Association of Specialist Underpinning Contractors (ASUC)  
Association of Technical Lightning & Access Specialists (ATLAS)  
British Constructional Steelwork Association (BCSA)  
British Geomembrane Association (BGA)  
British Woodworking Federation (BWF)  
Building Engineering Services Association (BESA)  
CONSTRUCT Concrete Structures Group  
Catering Equipment Distributors Association (CEDA)  
Construction Employer's Federation (CEF)  
Construction Plant-hire Association (CPA)  
Contract Flooring Association (CFA)  
Door & Hardware Federation (DHF)  
Drilling and Sawing Association (DSA)  
Engineered Panels in Construction (EPIC)  
Federation of Piling Specialists (FPS)  
Finishes & Interiors Sector (FIS)  
Highway Electrical Association (HEA)  
Insulated Render & Cladding Association (INCA)  
International Powered Access Federation (IPAF)  
National Access & Scaffolding Confederation (NASC)  
National Association of Shopfitters (NAS)  
National Federation of Demolition Contractors (NFDC)  
National Federation of Roofing Contractors Ltd (NFRC)  
Painting and Decorating Association (PDA)  
Resin Flooring Association (FeRFA)  
Rural and Industrial Design and Building Association (RIDBA)  
Single Ply Roofing Association (SPRA)  
Structural Timber Association (STA)  
The Tile Association (TTA)  
Thermal Insulation Contractors Association (TICA)

Civil Engineering Contractors Association (CECA)  
National Federation of Builders  
Scaffolding Association  
SNIPEF  
The Electrical Contractors' Association of Scotland t/a SELECT