

Direction under regulation 67C of the Income Tax (Pay As you Earn) Regulations 2003

Notifications of relevant payments to and by providers of specified electronic payment methods

The Commissioners for Her Majesty's Revenue and Customs make the following direction under regulation 67C of the Income Tax (Pay As You Earn) Regulations 2003 (S.I. 2003/2682):

Specified electronic payment methods

1. For the purposes of regulation 67C(1) and (2) of the Regulations, a relevant payment is made using a specified electronic payment method if-
 - (a) it is made using the Banks Automated Clearing Services ("Bacs") system, and
 - (b) it is made under the unique service user number allocated under the Bacs system solely for the use of the employer making the relevant payment.

Form of notification to service provider of a relevant payment

2. The notification required by regulation 67C(2)(a) of the Regulations must take the form of a "P".

Method of generating reference in respect of relevant payment

3. The reference required by regulation 67C(2)(b) of the Regulations must take the form of-
 - (a) the "P" required by paragraph 2, followed by
 - (b) a random three character string formed from the following characters-
 - (i) upper case A - Z,
 - (ii) 0-9,
 - (iii) full stop,
 - (iv) hyphen, and
 - (v) "P".

Method of notification to service provider

4. The combined notification and reference described in paragraphs 2 and 3 must be notified to the service provider in the place in the service provider's standard payment instruction indicated by the service provider.

Method of generating related reference number

5. The related reference number required by regulation 67C(2)(c) of the Regulations and the corresponding related reference number required by regulation 67C(3) of the

Regulations must be generated by entering into SHA 256 algorithm software the following information in the order given-

- (a) the reference generated under paragraph 3,
- (b) the employer's bank sort code,
- (c) the employee's bank sort code,
- (d) the amount of the payment to the employee.

Interpretation

6. In this direction-

“SHA 256 algorithm software” has the meaning given by the National Institute of Standards and Technology in Federal Information Processing Standards Publication *Secure Hash Standard (SHS)*¹,

“the Regulations” means the Income Tax (Pay As You Earn) Regulations 2003 (SI 2003/2682), and

“the service provider” has the meaning given in regulation 67C(5) of the Regulations.

Name
Name
Two of the Commissioners for Her Majesty's Revenue and Customs
Date

¹ Information Technology Laboratory, National Institute of Standards and Technology, Gaithersburg, MD 20899-8900, United States of America, October 2008, FIPS PUB 180-3.