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# **CIS Quality Standard and Business Validation Specification from April 2007**

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Version 2.1 Final

13<sup>th</sup> March 2007

**For online filing of CIS Monthly Returns (CIS300) and  
Verification Requests using HM Revenue & Custom's  
CIS Online for Contractors service – Internet or  
Electronic Data Interchange (EDI).**

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## INFORMATION

If you are a software developer this document should be read alongside the technical specifications for *Reform of the Construction Industry Scheme (CIS Reform) - Internet and EDI* (the schemas, technical pack and the MIGs). These are available on HMRC website at:

[www.hmrc.gov.uk/ebu/softw\\_index.htm](http://www.hmrc.gov.uk/ebu/softw_index.htm)

Document History

Version	Changes	Author	Date
1.0	Baselined version	Paul Martin	10/03/05
1.1	Revised version	Paul Martin	06/06/05
2.0	Quality Standard and BVRs combined	Paul Martin	04/08/06
2.1	Revised version	Andrew Punt	13/3/07

## 1. Introduction

The Quality Standard and Business Validation Specification describes the information that must be provided when filing a CIS300 Monthly Return or performing Verifications Online from April 2007.

This document combines two documents – The CIS Quality Standard (QS) and Business Validation Rules (BVRs). The BVRs were previously published as part of the Internet technical pack for software developers and the EDI Message Implementation Guidelines (MIG). The rule numbering within this document is the same as in the previous BVRs.

Construction Industry Scheme (CIS Reform) Online offers two options to support online filing - Internet and Electronic Data Interchange (EDI).

If a CIS300 Monthly Return does not meet the Quality Standard, the return will be returned with errors and will be treated as not having been made. There is a penalty of £100 for a late monthly return. If the contractor should have returned information about more than 50 subcontractors, the penalty will be a further £100 for each additional 50 subcontractors or part thereof. The penalty will be repeated for each month the return is outstanding.

If a Verification Request does not meet the Quality Standard then it will either be returned with errors, which you will need to correct before re-sending or, the subcontractor will not be matched and the higher rate of deduction will be returned as the tax treatment.

It is very important for software developers, and the contractors who rely on them, to ensure that their products meet the Quality Standard.

Further information on sending your CIS300 Contractor's Monthly Return and performing Verification Requests can be found at:

<http://www.hmrc.gov.uk/new-cis/index.htm>

## 2. Validation rules for online filing of CIS300 Monthly Returns and Verification Requests

The list below explains the terminology used in the status and field length information columns in sections 4, 5 and 6.

- 'Mandatory' means that the information must be supplied
- 'Optional' means information that may be supplied if the Contractor has it and will help speed up processing by HMRC (*e.g. the monthly return should contain, in respect of each subcontractor to whom payments were made, the sub-contractor's national insurance number – NINO - or company registration number - CRN, if known*)

Note that Optional fields may become mandatory in certain circumstances. These will be shown in the business validation rules (*e.g. Monthly Return BVR Number 9 – Subcontractors first forename and surname: "Must be completed if Trading Name is not completed"*). EDI refer to these fields as 'Conditional' in the MIG

- 'Designated character set' – please refer to the XML Schema (CIS Online – Internet) or the Message Implementation Guidelines (for CIS Online - EDI) for details of the allowable characters for each field. These Specifications can be found at [www.hmrc.gov.uk/ebu/softw\\_index.htm](http://www.hmrc.gov.uk/ebu/softw_index.htm)

Where there is a limited character set for a field the details are shown in section 3.

- 'In the appropriate format' – the EDI and Internet service both have standards for the format of the incoming data. Please refer to the Schema (for CIS Online – Internet) or the Message Implementation Guidelines (CIS Online – EDI) for format details for each field. These Specifications can be found at [www.hmrc.gov.uk/ebu/softw\\_index.htm](http://www.hmrc.gov.uk/ebu/softw_index.htm)
- 'Valid calendar date' - A valid calendar date contains a day, a month, a century and a year. The format of the date to be used within the submission will be detailed in the MIG and schema specifications.
- 'Field length' - the field length will show the minimum and maximum number of characters allowed in the field. Some data items may have a fixed length; in these circumstances the fixed length of the field will be shown.
- 'Monetary amounts' – All monetary amounts are submitted as 'pounds and pence' (two pence digits). Where the amount must have the 'pence' figure as zero i.e. 'whole pounds', this will be indicated within the business rules. The field length will indicate the maximum digits allowed in the field (including pence). The field length does not include a decimal point, a minus sign or a currency indicator e.g. field length 5 – the maximum positive amount allowed in the field is £999.99. The format for submission is detailed in the appropriate MIG or schema.

### 3. Character sets

Where a field does not conform to the following character sets the allowable characters will be specified within the business rules.

#### Character set A - Full character set.

Letters, uppercase	A to Z
Letters, lower case	a to z
Numerals	0 to 9
Space character	
Full stop	.
Comma	,
Hyphen/minus sign	-
Opening parentheses	(
Closing parentheses)	)
Oblique stroke/slash	/
Equals sign	=
Exclamation mark	!
Quotation mark	"
Percentage sign	%
Ampersand	&
Asterisk	*
Semi-colon	;
Less-than sign	<
Greater-than sign	>
Apostrophe	'
Plus sign	+
Colon	:
Question mark	?

**NB** - within the online services certain characters have additional functions. Details can be found within the technical specification for the service.

#### Character set B - Forename character set

A-Z, a-z, apostrophe ( ' ) and hyphen ( - )

**N. B.** Space is not a valid character.

#### Character set C - Surname character set

A-Z, a-z, 0-9, comma (,), hyphen (-), apostrophe ('), ampersand (&), oblique (/), opening parenthesis ( ( ), closing parenthesis ( ) ), full stop (.) and space

#### 4. CONTRACTOR'S MONTHLY RETURN (CIS300)

##### 4.1. Contractor's Monthly Return (CIS300) Header Information

1. Contractor UTR	
Status (Mandatory or optional)	M
Business rules	Field length
1. Ten numerics (values between 0-9) 2. Check character (the first character) must be correct	10

2. Accounts Office Reference Number (AORef)	
Status (Mandatory or optional)	M
Business rules	Field length
1. Designated Character Set 2. The AORef must be in the format <ul style="list-style-type: none"> <li>- characters 1 -3 must be numeric*</li> <li>- character 4 must be 'P'</li> <li>- character 5 must be alpha</li> <li>- characters 6-13 must be alphanumeric*</li> </ul> Notes* <ul style="list-style-type: none"> <li>- leading zero's should be used to pad out characters 1-3 and 6-13 if necessary</li> </ul>	Refer to MIG or schema for field format  13

##### 4.2. Contractor's Monthly Return (CIS300) Details

3. Month Ending (Period End)	
Status (Mandatory or optional)	M
Business rules	Field length
1. Must contain a valid calendar date in the appropriate format (CCYY-MM-DD) 2. Must not be earlier than 2007-05-05 3. DD must be 05 MM must be in the range of 01-12 CCYY must be in the range of 2007-2099 4. Date must not be more than [3] return periods ahead of the current date. See Appendix 1  Notes <ul style="list-style-type: none"> <li>- There is no special tax year handling</li> </ul>	Refer to MIG or schema for field format  10

<b>4. Nil Return Indicator</b>	
<b>Status (Mandatory or optional)</b>	<b>O</b>
<b>Business rules</b>	<b>Field length</b>
<p>'Can you confirm that no payments have been made to subcontractors in the construction industry in this period?'</p> <ol style="list-style-type: none"> <li>1. If present, must be answered 'yes'</li> <li>2. If 'nil return' is set to 'yes', no subcontractor payments (fields 19 to 21) should be completed.</li> </ol>	Refer to MIG or schema

<b>5. Employment Status Declaration</b>	
<b>Status (Mandatory or optional)</b>	<b>O</b>
<b>Business rules</b>	<b>Field length</b>
<p>'Can you confirm that the employment status of each individual included on this return has been considered and payments have not been made under contracts of employment?'</p> <ol style="list-style-type: none"> <li>1. Must be 'yes' or 'no' in the appropriate format</li> <li>2. Must be completed unless nil return indicator is set to 'yes'</li> </ol>	Refer to MIG or schema

<b>6. Subcontractor Verification Declaration</b>	
<b>Status (Mandatory or optional)</b>	<b>O</b>
<b>Business rules</b>	<b>Field length</b>
<p>'Can you confirm that every subcontractor included on this return has either been verified with HM Revenue &amp; Customs, or has been included in previous CIS return in this, or the previous two tax years?'</p> <ol style="list-style-type: none"> <li>1. Must be 'yes' or 'no' in the appropriate format</li> <li>2. Must be completed unless nil return indicator is set to 'yes'</li> </ol>	Refer to MIG or schema

<b>7. Information Correct Declaration</b>	
<b>Status (Mandatory or optional)</b>	<b>M</b>
<b>Business rules</b>	<b>Field length</b>
<p><i>'Please sign below to confirm the nil return declaration, or the employment and verification status declarations. You may be penalized or prosecuted if you make false statements.</i></p> <p><i>Can you confirm that the information given on this return is correct and complete to the best of your knowledge and belief?'</i></p> <p>1. Must be 'yes' in the appropriate format</p>	Refer to MIG or schema

<b>8. Inactivity Indicator</b>	
<b>Status (Mandatory or optional)</b>	<b>O</b>
<b>Business rules</b>	<b>Field length</b>
<p><i>'Please indicate if you do not anticipate paying subcontractors in the next six months'</i></p> <p>1. If present, must be answered "yes" in the appropriate format</p>	Refer to MIG or schema

<b>9. Subcontractor First Forename or Initial</b>	
<b>Status (Mandatory or optional)</b>	<b>O</b>
<b>Business rules</b>	<b>Field length</b>
<p>1. If present, first character must be alpha and not a space</p> <p>2. Must be completed if 'Trading Name' not completed</p> <p>3. Remaining characters must be Character Set B</p> <p>Notes</p> <ul style="list-style-type: none"> <li>- If the subcontractor has two forenames do not enter both in the first 'forename' field, e.g. Anne Marie. You can either enter as Anne-Marie or Anne in this field and Marie in the second name field.</li> <li>- Do not use character ` for an apostrophe, use'</li> <li>- Remove any trailing spaces</li> </ul>	<p>Min 1 Max 35</p>

<b>10. Subcontractor Second Forename</b>	
<b>Status (Mandatory or optional)</b>	<b>O</b>
<b>Business rules</b>	<b>Field length</b>
<ol style="list-style-type: none"> <li>1. If present, first character must be alpha and not a space</li> <li>2. Remaining characters must be Character Set B</li> <li>3. If 'Trading Name' completed an entry is not allowed</li> </ol> <p>Notes</p> <ul style="list-style-type: none"> <li>- Do not use character ` for an apostrophe, use '</li> <li>- Remove any trailing spaces</li> </ul>	<p>Min 1 Max 35</p>

<b>11. Subcontractor Surname</b>	
<b>Status (Mandatory or optional)</b>	<b>O</b>
<b>Business rules</b>	<b>Field length</b>
<ol style="list-style-type: none"> <li>1. Must be completed if 'Trading Name' not completed</li> <li>2. Must be completed if First Name is completed</li> <li>3. First character must be alpha and not a space</li> <li>4. Remaining characters must be Character Set C</li> </ol> <p>Notes</p> <ul style="list-style-type: none"> <li>- Remove any trailing spaces</li> <li>- Do not enter an asterisk (*) or use '0' (zero) in place of 'O'</li> <li>- Do not use character ` for an apostrophe, use '. For example O'Connor not O`Connor</li> </ul>	<p>Min 1 Max 35</p>

<b>12. Subcontractor Trading name</b>	
<b>Status (Mandatory or optional)</b>	<b>O</b>
<b>Business rules</b>	<b>Field length</b>
<ol style="list-style-type: none"> <li>1. If present, must be Character Set A</li> <li>2. Must be completed if 'First Name' and 'Surname' are not completed</li> <li>3. First character must not be a space</li> </ol> <p>Notes</p> <ul style="list-style-type: none"> <li>- Use this field to supply the Subcontractor Name where the name is not a personal name (e.g. any Company Name, Trust Name, Partner Name or Trading Name).</li> <li>- If there is any doubt over whether a name is a personal name or not then enter the name details in this field.</li> </ul>	<p>Min 1 Max 56</p>

<b>13. Unmatched Tax Rate Indicator</b>	
<b>Status (Mandatory or optional)</b>	<b>O</b>
<b>Business rules</b>	<b>Field length</b>
<p>'Can you please confirm if you are paying the subcontractor at the higher rate of deduction'</p> <p>1. If present, must be answered "yes" in the appropriate format</p>	Refer to MIG or schema

<b>14. Subcontractor UTR</b>	
<b>Status (Mandatory or optional)</b>	<b>O</b>
<b>Business rules</b>	<b>Field length</b>
<p>1. Ten numerics (values between 0-9)</p> <p>2. Must be completed if "unmatched tax rate indicator" is not set</p> <p>Notes</p> <ul style="list-style-type: none"> <li>- Must be completed if valid UTR is known</li> </ul>	10

<b>15. Company Registration Number (CRN)</b>	
<b>Status (Mandatory or optional)</b>	<b>O</b>
<b>Business rules</b>	<b>Field length</b>
<p>1. Must be in one of the following formats</p> <p>a) AANNNNNN where</p> <ol style="list-style-type: none"> <li>characters 1-2 must be alpha</li> <li>characters 3-8 must be numeric</li> <li>the numeric field must have at least 1 digit and not more than 6</li> </ol> <p>b) NNNNNNNN where</p> <ul style="list-style-type: none"> <li>characters 1-8 must be numeric</li> <li>the numeric field must have at least 1 digit and not more than 8</li> </ul> <p>Notes</p> <ul style="list-style-type: none"> <li>Supplying CRN will reduce exceptions and help speed up processing by HMRC</li> </ul>	<p>Min 3 Max 8</p> <p>Min 1 Max 8</p>

<b>16. National Insurance Number (NINO)</b>	
<b>Status (Mandatory or optional)</b>	<b>O</b>
<b>Business rules</b>	<b>Field length</b>
<p>1. The NINO should be in the format AANNNNNNA</p> <ul style="list-style-type: none"> <li>- the first character must be alpha excluding D, F, I, Q, U, V</li> <li>- the second character must be alpha excluding D, F, I, O, Q, U, V</li> <li>- the last character must be A-D or space</li> </ul> <p>Notes</p> <ul style="list-style-type: none"> <li>- Supplying NINO will reduce exceptions and help speed up processing by HMRC</li> <li>- NINOs must conform to this format. If the NINO is not known for any reason, the NINO element should be omitted (this includes any temporary references that may be provided).</li> </ul>	9

<b>17. Subcontractor Verification Number</b>	
<b>Status (Mandatory or optional)</b>	<b>O</b>
<b>Business rules</b>	<b>Field length</b>
<p>1. First character must be 'V' followed by 10 numerics plus 0, 1 or 2 alphas</p> <p>2. If present, acceptable format for last 2 characters is A (i.e. 12 characters) or AA (i.e. 13 characters), where A is defined as A-Z excluding I &amp; O.</p> <p>Notes</p> <ul style="list-style-type: none"> <li>- The unique verification number should be supplied if known for subcontractors paid at the Higher Deduction Rate</li> </ul>	Min 11 Max 13

<b>18. Subcontractor Works Reference Number</b>	
<b>Status (Mandatory or optional)</b>	<b>O</b>
<b>Business rules</b>	<b>Field length</b>
<p>1. If present, must be Character Set A</p> <p>Notes</p> <ul style="list-style-type: none"> <li>- Optional reference number - this will be returned as part of the reply message with each subcontractor record. It is not stored or used by HMRC and is purely for use by the contractor.</li> </ul>	Min 1 Max 20

<b>19. Total Payments Made</b>	
<b>Status (Mandatory or optional)</b>	<b>O</b>
<b>Business rules</b>	<b>Field length</b>
<ol style="list-style-type: none"> <li>1. Must be whole pounds</li> <li>2. Must be greater than or equal to zero. Note: negative figures are not allowed</li> <li>3. Must be completed if 'nil indicator' is not completed</li> </ol>	<p>Refer to MIG or schema for field format</p> <p>Max value £99999999.00 (10 numbers)</p>

<b>20. Direct Cost of Materials</b>	
<b>Status (Mandatory or optional)</b>	<b>O</b>
<b>Business rules</b>	<b>Field length</b>
<ol style="list-style-type: none"> <li>1. Must be whole pounds</li> <li>2. Must be greater than or equal to zero. Note: negative figures are not allowed</li> </ol>	<p>Refer to MIG or schema for field format</p> <p>Max value £99999999.00 (10 numbers)</p>

<b>21. Total Amount Deducted</b>	
<b>Status (Mandatory or optional)</b>	<b>O</b>
<b>Business rules</b>	<b>Field length</b>
<ol style="list-style-type: none"> <li>1. Must be pounds and pence</li> <li>2. Must be greater than or equal to zero. Note: negative figures are not allowed</li> </ol>	<p>Refer to MIG or schema for field format</p> <p>Max value £99999999.99 (10 numbers)</p>

## 5. CIS REFORM VERIFICATION REQUEST

### 5.1. CIS Reform Verification Request Header Information

1. Contractor UTR	
Status (Mandatory or optional)	M
Business rules	Field length
1. Ten numerics (values between 0-9) 2. Check character (the first character) must be correct	10

2. Accounts Office Reference Number (AORef)	
Status (Mandatory or optional)	M
Business rules	Field length
1. Designated Character Set 2. The AORef must be in the format <ul style="list-style-type: none"> <li>- characters 1 -3 must be numeric*</li> <li>- character 4 must be 'P'</li> <li>- character 5 must be alpha</li> <li>- characters 6-13 must be alphanumeric*</li> </ul> Note <ul style="list-style-type: none"> <li>- leading zero's should be used to pad out characters 1-3 and 6-13 if necessary</li> </ul>	13

### 5.2. CIS Reform Verification Request Subcontractor Details

Subcontractor details (3-18) are repeated once for each subcontractor. The maximum number of subcontractors is 100 per submission.

3. Action Indicator	
Status (Mandatory or optional)	M
Business rules	Field length
1. Must be completed in the appropriate format: "match" or "verify"	Refer to MIG or schema for field format

4. Business Type	
Status (Mandatory or optional)	M
Business rules	Field length
<p>1. Must be one of</p> <ul style="list-style-type: none"> <li>- "soletrader"</li> <li>- "partnership"</li> <li>- "trust"</li> <li>- "company"</li> </ul> <p>Notes</p> <ul style="list-style-type: none"> <li>- If you are verifying an Unincorporated Body then the business rules for companies apply and the business type should be set to 'company'</li> </ul>	Refer to MIG or schema for field format

5. Subcontractor First Name or Initial	
Status (Mandatory or optional)	O
Business rules	Field length
<p>1. If present, first character must be alpha and not a space</p> <p>2. Must be completed if 'Trading Name' not completed</p> <p>3. Remaining characters must be Character Set B</p> <p>Notes</p> <ul style="list-style-type: none"> <li>- If the subcontractor has two forenames do not enter both in the first 'forename' field, e.g. Anne Marie. You can either enter as Anne-Marie or Anne in this field and Marie in the second name field.</li> <li>- Do not use character ` for an apostrophe, use'</li> <li>- Remove any trailing spaces</li> </ul>	<p>Min 1</p> <p>Max 35</p>

6. Subcontractor Second Name	
Status (Mandatory or optional)	O
Business rules	Field length
<p>1. If present, first character must be alpha and not a space</p> <p>2. If 'Trading Name' completed an entry is not allowed</p> <p>3. Remaining characters must be Character Set B</p> <p>Notes</p> <ul style="list-style-type: none"> <li>- Do not use character ` for an apostrophe, use'</li> <li>- Remove any trailing spaces</li> </ul>	<p>Min 1</p> <p>Max 35</p>

<b>7. Subcontractor Surname</b>	
<b>Status (Mandatory or optional)</b>	<b>O</b>
<b>Business rules</b>	<b>Field length</b>
<ol style="list-style-type: none"> <li>1. Must be completed if 'Trading Name' not completed</li> <li>2. Must be completed if First Name is completed</li> <li>3. First character must be alpha and not a space</li> <li>4. Remaining characters must be Character Set C</li> </ol> <p>Notes</p> <ul style="list-style-type: none"> <li>- Remove any trailing spaces</li> <li>- Do not enter an asterisk (*) or use '0' (zero) in place of 'O'</li> <li>- Do not use character ` for an apostrophe, use '. For example O'Connor not O`Connor</li> </ul>	<p>Min 1 Max 35</p>

<b>8. Subcontractor Trading name</b>	
<b>Status (Mandatory or optional)</b>	<b>O</b>
<b>Business rules</b>	<b>Field length</b>
<ol style="list-style-type: none"> <li>1. If present, must be Character Set A</li> <li>2. Must be completed if 'First Name' and 'Surname' are not completed</li> <li>3. First character must not be a space</li> </ol> <p>Notes</p> <ul style="list-style-type: none"> <li>- Use this field to supply the Subcontractor Name where the name is not a personal name (e.g. any Company Name, Trust Name, Partner Name or Trading Name).</li> <li>- If there is any doubt over whether a name is a personal name or not then enter the name details in this field.</li> </ul>	<p>Min 1 Max 56</p>

<b>9. Subcontractor Works Reference Number</b>	
<b>Status (Mandatory or optional)</b>	<b>O</b>
<b>Business rules</b>	<b>Field length</b>
<ol style="list-style-type: none"> <li>1. If present, must be Character Set A</li> </ol> <p>Notes</p> <ul style="list-style-type: none"> <li>- Optional reference number - this will be returned as part of the reply message with each subcontractor record. It is not stored or used by HMRC and is purely for use by the contractor.</li> </ul>	<p>Min 1 Max 20</p>

<b>10. Subcontractor UTR</b>	
<b>Status (Mandatory or optional)</b>	<b>O</b>
<b>Business rules</b>	<b>Field length</b>
<p>1. Ten numerics (values between 0-9)</p> <p>2. If Action Indicator = 'match' then the check character (the first character) must be correct</p> <p>3. Must be completed if</p> <ul style="list-style-type: none"> <li>- 'Business Type' is one of 'soletrader', 'company' or 'trust' AND</li> <li>- 'Action Indicator' is equal to 'match'</li> </ul> <p>Note</p> <ul style="list-style-type: none"> <li>- For Partnership verifications this field will hold the Partner UTR</li> </ul>	10

<b>11. Subcontractor Company Registration Number</b>	
<b>Status (Mandatory or optional)</b>	<b>O</b>
<b>Business rules</b>	<b>Field length</b>
<p>1. Must be completed for Match attempts if the subcontractor is a partner in a partnership and no partner UTR or NINO provided, i.e.</p> <ul style="list-style-type: none"> <li>- 'Business Type' is equal to 'partnership' AND</li> <li>- NINO or Subcontractor UTR (partner UTR) is not completed AND</li> <li>- 'Action Indicator' is equal to 'match'</li> </ul> <p>2. Must be in one of the following formats</p> <p>a) AANNNNNN where</p> <ul style="list-style-type: none"> <li>4. characters 1-2 must be alpha</li> <li>5. characters 3-8 must be numeric</li> <li>6. the numeric field must have at least 1 digit and not more than 6</li> </ul> <p>b) NNNNNNNN where</p> <ul style="list-style-type: none"> <li>- characters 1-8 must be numeric</li> </ul> <p>the numeric field must have at least 1 digit and not more than 8</p> <p>Notes</p> <ul style="list-style-type: none"> <li>- Although the CRN is optional for Business Type 'Company' - HMRC cannot match successfully on just UTR and Name where a valid CRN exists. Hence in these cases where a CRN exists it should be supplied.</li> </ul>	<p>For (a)</p> <p>Min 3</p> <p>Max 8</p> <p>For (b)</p> <p>Min 1</p> <p>Max 8</p>

<b>12. National Insurance Number (NINO)</b>	
<b>Status (Mandatory or optional)</b>	<b>O</b>
<b>Business rules</b>	<b>Field length</b>
<p>1. Must be completed for Match attempts if subcontractor is a partner in a partnership and no partner UTR or CRN provided, i.e.</p> <ul style="list-style-type: none"> <li>- 'Business Type' is equal to 'partnership' AND CRN or Subcontractor UTR (partner UTR) is not completed AND</li> <li>- 'Action Indicator' is equal to 'match'</li> </ul> <p>2. The NINO should be in the format AANNNNNNA</p> <ul style="list-style-type: none"> <li>- the first character must be alpha excluding D, F, I, Q, U, V</li> <li>- the second character must be alpha excluding D, F, I, O, Q, U, V</li> <li>- the last character must be A-D or space</li> </ul> <p>Notes</p> <ul style="list-style-type: none"> <li>- Although the NINO is optional for Business Type 'Soletrader - HMRC cannot match successfully on just UTR and Name where a valid NINO exists. Hence in these cases where a NINO exists it should be supplied</li> <li>- If the NINO is not known for any reason, the NINO element should be omitted (this includes any temporary references that may be provided).</li> </ul>	9

### 5.3. Partnership Details

<b>13. Partnership UTR</b>	
<b>Status (Mandatory or optional)</b>	<b>O</b>
<b>Business rules</b>	<b>Field length</b>
<p>1. Ten numerics (values between 0-9)</p> <p>2. If Action Indicator = 'match' then the check character (the first character) must be correct</p> <p>3. Must only be completed if 'business type' is equal to 'partnership'</p> <p>4. Must be completed if</p> <ul style="list-style-type: none"> <li>- 'Action Indicator' is equal to 'match' AND</li> <li>- 'Business Type' is equal to 'partnership'</li> </ul>	10

<b>14. Partnership Name</b>	
<b>Status (Mandatory or optional)</b>	<b>O</b>
<b>Business rules</b>	<b>Field length</b>
<ol style="list-style-type: none"> <li>1. If present, must be Character Set A</li> <li>2. First character must not be a space</li> <li>3. Must only be completed if 'business type' is equal to 'partnership'</li> <li>4. Must be completed if                             <ul style="list-style-type: none"> <li>- 'Action Indicator' is equal to 'match' AND</li> <li>- 'Business Type' is equal to 'partnership'</li> </ul> </li> </ol>	Min 1 Max 56

#### 5.4. Other Subcontractor Details

<b>15. Subcontractor Address</b>	
<b>Status (Mandatory or optional)</b>	<b>O</b>
<b>Business rules</b>	<b>Field length</b>
<ol style="list-style-type: none"> <li>1. Maximum 4 lines of 35 characters</li> <li>2. If present, first line is mandatory.</li> </ol>	Refer to MIG or schema for field format

<b>16. Subcontractor Postcode</b>	
<b>Status (Mandatory or optional)</b>	<b>O</b>
<b>Business rules</b>	<b>Field length</b>
<ol style="list-style-type: none"> <li>1. If present, designated Character Set</li> <li>2. If present then first line of subcontractor address (item 15) must be completed.</li> </ol>	Refer to MIG or schema for field format

<b>17. Subcontractor Country</b>	
<b>Status (Mandatory or optional)</b>	<b>O</b>
<b>Business rules</b>	<b>Field length</b>
<ol style="list-style-type: none"> <li>1. If present, designated character set.</li> <li>2. If present then first line of subcontractor address (item 15) must be completed.</li> </ol>	Refer to MIG or schema for field format

<b>18. Subcontractor Contact Number (Telephone)</b>	
<b>Status (Mandatory or optional)</b>	<b>O</b>
<b>Business rules</b>	<b>Field length</b>
1. If present, designated character set	Refer to MIG or schema for field format

### 5.5. Declaration

<b>19. Declaration of Subcontractor Engagement</b>	
<b>Status (Mandatory or optional)</b>	<b>M</b>
<b>Business rules</b>	<b>Field length</b>
'Can you confirm that a tender is accepted/contract agreed/order placed for all of the Subcontractors to be verified' 1. Must be answered "yes" in the appropriate format.	Refer to MIG or schema

## 6. CIS REFORM VERIFICATION REPLY

The verification reply is produced in response to a verification request message. This section gives guidance on how the reply message is structured and populated. As a general rule the Subcontractor details in fields 3 to 15 will only be populated in the reply message if they were provided in the original verification request.

### 6.1. CIS Reform Verification Reply Header Information

1. Contractor UTR	
Status (Mandatory or optional)	M
Business rules	Field length
1. Ten numerics (values between 0-9) 2. Check character (the first character) must be correct	10

2. Accounts Office Reference Number (AORef)	
Status (Mandatory or optional)	M
Business rules	Field length
1. Designated Character Set 2. The AORef must be in the format <ul style="list-style-type: none"> <li>- characters 1 -3 must be numeric*</li> <li>- character 4 must be 'P'</li> <li>- character 5 must be alpha</li> <li>- characters 6-13 must be alphanumeric*</li> </ul> Note <ul style="list-style-type: none"> <li>- Leading zero's should be used to pad out characters 1-3 and 6-13 if necessary</li> </ul>	13

### 6.2. CIS Reform Verification Reply Subcontractor Details

Subcontractor details (3-15) are repeated once for each subcontractor. The maximum number of subcontractors is 100 per submission.

3. Subcontractor First Name or Initial	
Status (Mandatory or optional)	O
Business rules	Field length
1. If present, first character will be alpha and not a space 2. Remaining characters must be Character Set B	Min 1 Max 35

4. Subcontractor Second Name	
Status (Mandatory or optional)	O
Business rules	Field length
1. If present, first character will be alpha and not a space 2. Remaining characters must be Character Set B	Min 1 Max 35

5. Subcontractor Surname	
Status (Mandatory or optional)	O
Business rules	Field length
1. If present, first character will be alpha and not a space 2. Remaining characters must be Character Set C	Min 1 Max 35

6. Subcontractor Trading name	
Status (Mandatory or optional)	O
Business rules	Field length
1. If present, will be Character Set A	Min 1 Max 56

7. Subcontractor UTR	
Status (Mandatory or optional)	O
Business rules	Field length
1. Ten numerics (values between 0-9)  Note - For Partnership verifications this field will hold the Partner UTR	10

8. Subcontractor Works Reference Number	
Status (Mandatory or optional)	O
Business rules	Field length
1. If present, will be Character Set A  Notes - Optional reference number - this will be returned as part of the reply message with each subcontractor record. It is not stored or used by HMRC and is purely for use by the contractor.	Min 1 Max 20

9. Subcontractor Company Registration Number	
Status (Mandatory or optional)	O
Business rules	Field length
1. Must be in one of the following formats a) AANNNNNN where <ul style="list-style-type: none"> <li>- characters 1-2 must be alpha</li> <li>- characters 3-8 must be numeric</li> <li>- the numeric field must have at least 1 digit and not more than 6</li> </ul> b) NNNNNNNN where <ul style="list-style-type: none"> <li>- characters 1-8 must be numeric</li> <li>- the numeric field must have at least 1 digit and not more than 8</li> </ul>	For (a) Min 3 Max 8  For (b) Min 1 Max 8

10. National Insurance Number (NINO)	
Status (Mandatory or optional)	O
Business rules	Field length
1. The NINO should be in the format AANNNNNNA <ul style="list-style-type: none"> <li>- the first character must be alpha excluding D, F, I, Q, U, V</li> <li>- the second character must be alpha excluding D, F, I, O, Q, U, V</li> <li>- the last character must be A-D or space</li> </ul>	9

### 6.3. Partnership Details

11. Partnership UTR	
Status (Mandatory or optional)	O
Business rules	Field length
1. Ten numerics (values between 0-9)	10

12. Partnership Name	
Status (Mandatory or optional)	O
Business rules	Field length
1. If present, will be Character Set A	Min 1 Max 56

#### 6.4. Reply Signals for the subcontractor

13. Matched/Unmatched Status	
Status (Mandatory or optional)	M
Business rules	Field length
1. Will be in the appropriate format: 'matched' or 'unmatched'	Refer to MIG or schema for field format

14. Tax Treatment Status	
Status (Mandatory or optional)	O
Business rules	Field length
1. Will be in the appropriate format: 'unmatched', 'gross' or 'net' 2. Will be completed if action indicator is 'verify' 3. Will be completed if Matched/Unmatched Status (field 13) = 'matched'  Notes - Unmatched = Higher Rate of Deduction - Net = Standard Rate of Deduction - Gross = No Deduction	Refer to MIG or schema for field format

15. Verification Reference Number	
Status (Mandatory or optional)	O
Business rules	Field length
1. Will be completed where Matched/Unmatched Status (field 13) = 'matched' 2. Will be completed where - action indicator (in request) = 'verify' AND - Matched/Unmatched Status (field 13) = 'unmatched' 3. Format will be - First character must be 'V' followed by 10 numerics plus 0, 1 or 2 alphas - If present, acceptable format for last 2 characters is A (i.e. 12 characters) or AA (i.e. 13 characters), where A is defined as A-Z excluding I & O.  Notes - The verification number will be the same for all matched subcontractors. Unmatched subcontractors will have one or two letters added to the end of the number to make it unique to that subcontractor	Min 11 Max 13

## **7. Appendices**

### **Appendix 1 - Calculation of Allowable Future Dated Period**

Future dated Contractor Monthly Returns (CIS300) will be accepted up to [n] months in the future. [n] months is defined as the current return period plus the [3] subsequent contractor return periods. For example, if the current date is 01/06/YYYY the current period ends on 05/06/YYYY and therefore contractor returns for periods ending 05/06/YYYY, 05/07/YYYY, 05/08/YYYY and 05/09/YYYY will be accepted.

## **Appendix 2 - Format of verification numbers**

Verification numbers must be provided in the format V9999999999AA , i.e. first character 'V' followed by 10 numerics plus 0, 1 or 2 alphas

On some outputs – notably paper monthly returns - verification numbers may be printed as V999999999 XX or V99999999 / XX. However, these are display formats only and are used to highlight the unique suffix. No spaces or /'s are captured or stored by HMRC. Verification numbers in electronic submissions and all HMRC responses must not include any spaces or /'s – they must be provided in the designated format.

### **Appendix 3 - Common Mistakes**

This section details common errors and mistakes that can impact online submissions. This information is based on HMRC experience of online filing in other service lines and has been adapted as appropriate to reflect the specific data requirements of CIS Online.

#### **Monetary Fields**

Monetary fields must always be to 2 decimal places. If the field only allows 'whole pounds', such as Total Payments Made, the user interface may only allow entry in whole pounds or the user may enter the amount excluding the pence (e.g 100). However, the xml will show this as 100.00. The schema enforces the .00.

Note that leading zeros are not allowed for amounts above 0.99. Also do not use commas in place of a decimal point.

When calculating a whole pound monetary field any pence in the original payment should simply be truncated (e.g. a Total Payment of £535.75 should be reported as £535.00). No rounding of pence is required.

#### **Authenticating the submission**

Frequently authentication errors occur by using the Employer's PAYE Reference – the EMPREF – incorrectly. The Employer's PAYE Reference consists of the *Tax Office Number* and *Tax Office Reference*. Contractors or their agents will get an error saying "Authentication failure. The supplied user credentials failed validation for the requested service" where they:

- use an incorrect user ID
- use an incorrect password
- use a password of more than 12 characters
- ***have not registered to use CIS Online***
- have not activated CIS Online
- enter the PAYE reference in lower case
- (agent only) the client is not shown on the agents client list

Note that Contractors operating PSC schemes (both employees and subcontractors) will need to register and enrol for the CIS online service separately to the PAYE service. Contractors may elect to use the same User ID and password for both services or separate User IDs for each service depending on how they operate their business. To clarify if the Contractor is already registered and enrolled for PAYE, they will need to register for CIS and on receipt of the activation PIN for CIS activate the CIS service, once activated the User ID and password for PAYE can also be used for the CIS service.

#### **Valid PAYE references**

All contractors who operate CIS schemes will have a PAYE reference. A valid PAYE reference is made up from the 3 digit tax office number (tax district reference) plus the contractor's HMRC office PAYE reference. They are unique only in combination, for example 913/WZ51258. Errors will occur where the contractor showed the contractor's HMRC office PAYE reference only (WZ51258) or used the tax office number (tax district reference) twice (913/913WZ51258).

The Tax Office Number and Reference must be supplied in the GovTalk Header and the IRHeader (see Hints and Tips on GovTalkHeader and IRHeader – CIS document included in the CIS Technical Pack).

The tax district reference is subject to change when HMRC does re-organisations. Where a PAYE scheme has been re-referenced, the return should show the latest tax office number and employer reference in use at the date of the submission.

#### PAYE reference character set

A-Z, a-z, 0-9, ampersand (&), apostrophe ( ' ) opening parenthesis ( ( ), closing parenthesis ( ) ), full stop ( . ) , asterisk ( \* ), hyphen ( - ) and oblique ( / )

**N. B.** Space is not a valid character.

*The majority of PAYE references will only contain the characters A-Z, a-z and 0-9.*

#### Matching Returns

HMRC will have problems matching returns that do not use accurate details to authenticate the contractor. If a return cannot be matched to a contractor this may be treated as a late submission. This information includes the PAYE reference, the Contractor's Unique Tax Reference and the Accounts Office Reference.

#### Personal Names vs Trading Names

If there is any doubt over whether a name is a personal name or a trading name then enter the name details in the trading name field.

HMRC free Online Returns and Forms product only – if both a personal name and a trading name is recorded for a sole trader subcontractor then the trading name will be used on any monthly return (CIS300) or verification request. Only HMRC recognised trading names should be recorded in the trading name field.

#### Duplicate Returns

Duplicate returns may occur if a

- return is sent on paper when a return has already been sent online (or vice-versa)
- users pressing 'submit' again whilst waiting for an acceptance message

Duplicate returns can delay processing of a monthly return and may result in administrative overheads for both HMRC and Contractors.

Amendments/Corrections to a monthly return must not be sent online. Any negative amounts will cause the return to be rejected and must be removed before resubmitting. Contractors must telephone HMRC with full details(s) of the monthly return(s) they need to correct and, if the correction is appropriate, we will record it.

#### Continual Polling

Continual polling can be a source of irritation for users as it can prevent them moving on to other transactions (e.g. performing another verification or filing another monthly return). This can be a particular frustration for agents/bureaux who may wish to file multiple returns or perform multiple verifications.

## **Appendix 4 - Changes to April 2007 Quality Standard and Business Validation Specification**

Note that April 2007 Quality Standard and Business Validation Specification v2.1 replaces previous versions (v2.0) of the published CIS Monthly Return Business Rules and CIS Verification Request Business Rules

### **Section 5.2 - CIS Reform Verification Request Subcontractor Details**

1. Field 8 – Notes in relation to subcontractor trading name have been amended

### **Section 6**

2. Section headers 6.1 and 6.2 amended

#### Previous changes to the Quality Specification:

Note that April 2007 Quality Standard and Business Validation Specification v2.0 replaces previous versions (v1.0 and v1.1) of the published CIS Monthly Return Business Rules and CIS Verification Request Business Rules

### **Section 4.1 - Contractor's Monthly Return (CIS300) Header Information**

3. Field 2 – Accounts Office Reference Number (AORef) format changed

### **Section 4.2 - Contractor's Monthly Return (CIS300) Details**

4. Field 3 – Year handling rules changed to reflect revised April 2007 start date of scheme
5. Field 5, 6 and 7 – Employment Status, Subcontractor Verification and Information Correct declarations amended
6. Field 18 – Subcontractor Works Reference Number added (and subsequent fields re-numbered)

### **Section 5.1 - CIS Reform Verification Request Header Information**

7. Field 2 – Accounts Office Reference Number (AORef) format changed

### **Section 5.2 - CIS Reform Verification Request Subcontractor Details**

8. Field 4 – Rules around unincorporated bodies amended
9. Field 16 – Rules around postcode clarified