

# Software Developers - Frequently Asked Questions

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## Monthly Returns

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### **Will a 'deemed' signature be acceptable from a 3rd party?**

The electronic submission does not contain a signature. The signing of the submission is enforced through the provision of a valid User ID and Password for that scheme. This can be the contractor's User ID and Password or that of a registered agent.

### **What is a definition of a tax month and how should weekly payments be reported against a tax month?**

A tax month runs from the 6th of the month to midnight of the 5th of the following month (for example 6th April to 5th May). A weekly payment should be reported based on the date that that payment is actually made.

### **Can we have a negative return?**

No. It is not possible to report either negative amounts or an amended return online. Any amendments must be reported directly to HMRC in writing or by calling the CIS helpline – 0845 366 7899. Guidelines for handling corrections to monthly returns are covered in the CIS340, sections 4.13 to 4.29 and also in the published in-depth guidance on this subject [Errors and Amendments: impact on monthly returns](#).

Note that this is not a change to the current business processes, where existing CIS vouchers do not allow negative payments to be made.

Software developers should consider whether to provide any facilities to record details of amendments reported to HMRC for audit purposes and also to report adjustments/changes made after a return has been submitted (for example a manual exception report).

### **Will statements replace the existing vouchers?**

Contractors will be under a legal obligation to provide 'Payment and Deduction Statements' to every subcontractor from whom a deduction has been made. Contractors may provide this statement in whatever style they choose but it must be in writing and include certain mandated information as follows:

- contractor's name,
- contractor's employer's reference,
- date of tax month to which the payment relates (or the date of payment),
- subcontractor's name,
- subcontractor's UTR, and
- details of the payment any related materials and the amount of deduction.

More details are in the CIS340 sections 3.24 to 3.26.

**Will the fact that pennies are not reported for payment amounts cause reconciliation issues at the end of the year?**

No, New CIS does not differ from existing CIS for the handling of pennies. We ask contractors to report only whole pounds for the amount of the subcontractor's payment and for the cost of his materials, but to include pence for the full amount of the deduction.

Historically, tables have been provided for contractors to help calculate deductions - and deductions are based on a whole pound figure. If an automated calculation is used HMRC would prefer the deduction to be calculated on the whole amount paid (including pence).

Compliance issues are not expected to arise from any perceived discrepancy between actual amounts paid and amounts notified to HMRC.

## Verifications

[When verifying a subcontractor using the online verification service, should the submitted subcontractor's address be the registered address or a trading address?](#)

[In circumstances where a subcontractor has been verified under the new scheme, \(for example in May 2007\) and they are not paid again until two years later \(for example Jun 2010\), should the system not allow invoice entry because the subcontractor needs to be re-verified?](#)

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[How should the Business Type field in the verification request be used for nominees \(for example where a subcontractor might nominate his wife as nominee for payments relating to a construction contract\)?](#)

[The CIS340 talks about verifications in terms of payments made in the 1st year of the new scheme, between 6 Apr 2007 and 5 Apr 2008 \(see section 3.4\). What about payments made in the 2nd year of the scheme \(for example if a subcontractor was paid in the 2006/2007 tax year\)? Would that subcontractor have to be verified if the first payment was made to them in the second year of the scheme?](#)

[Do we need to pay any attention to the expiry dates on cards?](#)

[If you are transferring to the new system will you need to re-verify because at the moment there is no UTR?](#)

### **When verifying a subcontractor using the online verification service, should the submitted subcontractor's address be the registered address or a trading address?**

The address in a verification request is only necessary to aid HMRC deal with unmatched verifications. The address is additional reference information that will help HMRC to trace an unmatched subcontractor record - and any payments recorded against that record - when the subcontractor contacts us. Typically this will occur when the subcontractor contacts HMRC to register for New CIS or when they contact us with their correct details.

The address type is not critical - we can use any address as long as the subcontractor can quote it in any communication. Any address is acceptable provided the subcontractor can remember it and quote it in subsequent correspondence

Lastly, address is completely optional.

### **In circumstances where a subcontractor has been verified under the new scheme, (for example in May 2007) and they are not paid again until two years later (for example Jun 2010), should the system not allow invoice entry because the subcontractor needs to be re-verified?**

In principle, yes. The software should keep track of verifications that have expired and should prompt the user to re-verify these cases before payments are made. Whether the software should automatically prevent invoice entry in these circumstances would depend on how complete a record the software maintains of verifications/payment history.

For example, a subcontractor verification may appear to have expired but the contractor might have:

- a) re-verified on the phone or by paper and/or
- b) sent in a paper monthly return (for whatever reason) containing the subcontractor's details

Ideally, software will keep track of verifications/payment records across all channels and then where a subcontractor verification appears to have expired an invoice could not be entered until the contractor

- a) provides a new verification number that they've obtained from another channel and the date obtained thereby manually resetting the verification or
- b) re-verifies the subcontractor online.

**Can a contractor send in his or her own reference for each subcontractor?**

The verification request contains an optional works reference number that software/the contractor can use to match individual subcontractors in the request/reply to their own records. This works reference number is persisted throughout the request/reply cycle, but is not stored by HMRC.

The works reference number is also being added to the monthly return schema, after requests from some software vendors, to allow software vendors to supply their own reference (for example, a different trading name) in addition to the existing mandatory fields. Please note that any data provided in the Works Reference Number field is not stored by HMRC and is purely provided to help contractors/vendors reconcile their own records.

**Does a subcontractor have to be verified before payment is made?**

In general, yes. Contractors must verify all new subcontractors with HM Revenue & Customs before they can make payments to them under the scheme. However, you need to remember that contractors will be paying many subcontractors under new CIS that they previously paid under the old scheme. Therefore, the majority of their existing subcontractors will not need to be verified for new CIS for the reason that they will already 'have been included on a return in the current or previous two tax years' when they come to be paid after 5 April 2007. So, the absence of any verification data on these subcontractors' records does not mean that they have to be verified.

**What is the minimum data required for an online verification?**

The CIS340 describes what data needs to be provided when performing subcontractor verification and the CIS Quality Standard/Business Validation Rules describe how the rules are enforced for Internet and EDI submissions.

The following table summarises the logic for verification requests for both 'match' and 'verify' actions:

	Action	Subcontractor (or Partner) UTR	Subcontractor (or Partner) Name	NINO	CRN	Partnership Name	Partnership UTR
Sole Trader	V	Optional	M	O	N/A	N/A	N/A
	M	Mandatory	M	O*	N/A	N/A	N/A
Company	V	O	M	N/A	O	N/A	N/A
	M	M	M	N/A	O*	N/A	N/A
Trust	V	O	M	N/A	N/A	N/A	N/A
	M	M	M	N/A	N/A	N/A	N/A
Partnership	V	O	M	O	O	M	O
	M	Optional* See note	M	O*	O*	M	M

**\*Notes**

In exceptional cases some Sole Traders will not have NINOs in this case no NINO should be provided (that is the NINO element should be omitted). Similarly some companies may not have CRNs and no CRN should be provided (that is the CRN element omitted).

For partnerships to get a successful match the verification request must contain one of partner UTR or CRN/NINO (plus Partner Name, Partnership Name and Partnership UTR)

**The verification numbers; are these per person rather than per submission?**

HM Revenue & Customs will give the contractor a verification reference number for each verification 'session', by whatever method is used (that is online or telephone). The verification number will be the same for each subcontractor that has been verified at the same time. Where it is not possible to verify any particular subcontractor we will append one or two letters to the end of the number to make it unique to that subcontractor. See paragraph 3.14 of the CIS340 for an explanation and some examples of how this will work.

**If there is a failure in verifying a single subcontractor will they get a unique reference?**

The following discussion relates to online transactions specifically - telephone verifications are handled differently. If a 'verify' transaction is performed (match flag set to 'verify') then we will always return a verification number (including for unmatched cases). However, if a 'match' transaction is performed (match flag set to 'match') and the single subcontractor cannot be found then we will not return a verification number – just a flag indicating that we cannot find the subcontractor.

**How will HMRC get back the verification to the contractors?**

Verification Responses will be returned asynchronously on the same channel as they were submitted, that is verification requests submitted by:

- Internet to the Government Gateway will receive a Response to be collected from the Government Gateway
- EDI will receive a response to be collected through EDI (as per other outputs)

**How should the Business Type field in the verification request be used for nominees (for example where a subcontractor might nominate his wife as nominee for payments relating to a construction contract)?**

Where a sub-contractor wants payment made to a nominee, both the sub-contractor and nominee would need to be verified. The nominee should be verified using whichever business type is appropriate to the nominee. For payment to be made gross both the sub-contractor and the nominee must be registered for gross. In practice, there is no advantage in a gross subcontractor nominating someone who is not also gross paid.

In the question example, the nominee is not registered in CIS. As a result payments would be made at either Net or the Unregistered Rate (higher rate of deduction) - depending on the subcontractor's tax treatment (see below).

In terms of verifying an unregistered individual then the business type should be set to "soletrader". The business type helps to enforce certain validation rules and in this case since the wife has a NINO we should treat them as a soletrader for validation purposes - even though they will return an unregistered rate.

The basic matrix is as follows:

<b>Subcontractor Tax Treatment</b>	<b>Nominee Tax Treatment</b>	<b>Tax Treatment Applied</b>
Gross	Gross	Gross
Gross	Any	Net
Net	Any	Net
Unregistered (Higher Rate)	Any	Unregistered (Higher Rate)

In terms of the monthly return the details of the subcontractor should be entered on the return (not the nominee).

**The CIS340 talks about verifications in terms of payments made in the 1st year of the new scheme, between 6 Apr 2007 and 5 Apr 2008 (see section 3.4). What about payments made in the 2nd year of the scheme (for example if a subcontractor was paid in the 2006/2007 tax year)? Would that subcontractor have to be verified if the first payment was made to them in the second year of the scheme?**

No. The rule is, whatever year you are looking at, if the sub-contractor has been paid in the current or previous two tax years (where paid means included in a monthly return for new CIS or included in an annual return for existing CIS) then they do not need to be (re)verified. So, in the example above since the subcontractor has been paid in the previous two tax years (in 2006/2007) they do not need to be verified when re-engaged in May 2008. As ever, this excludes cases where the Temporary Registration Card or Tax Certificate had an expiry date before April 2007. In the CIS340, we referred to the 'first tax year of the new scheme' solely to keep this guidance as simple as possible to follow.

**Do we need to pay any attention to the expiry dates on cards?**

Yes. Contractors need to take note of those subcontractors they have engaged in the 2005/2006 and 2006/2007 tax years whose Temporary Registration Card (CIS4T) or Tax Certificate (CIS5 or CIS6) has an expiry date before April 2007. These contractors will need to be verified if they are engaged after 5 April 2007 unless a new card or certificate has been presented after the expiry date of the old one but before the introduction of the new scheme.

For example, if a contractor last paid a subcontractor gross in September 2006 on the basis of the subcontractor's tax certificate bearing an expiry date of November 2006, ordinarily that subcontractor would have to be verified before the first payment after 5 April 2007. However, if the contractor's records show that the subcontractor subsequently produced a later tax certificate with an expiry date beyond April 2007 (as would be the case if this subcontractor renewed their certificate) then verification under the new scheme will not be necessary.

HMRC will be providing contractors with lists of subcontractors who they do not need to verify in Nov 2006 and Mar 2007. However, these lists will not be exhaustive and do not remove the need for contractors to check their own records.

**If you are transferring to the new system will you need to re-verify because at the moment there is no UTR?**

Contractors do not need to verify a subcontractor (transferred to the new system) where they have previously paid the subcontractor and the last payment to the subcontractor occurred within the two tax years prior to 6 April 2007 and, at the time of making the payment to that subcontractor, the subcontractor either

- held a CIS6 or CIS5 Tax Certificate that was due to expire in April 2007 or later, or
- held a CIS4(P) permanent registration card.

Existing contractors and subcontractors will each have a UTR, but it may be that they do not realise they have a UTR since in the current CIS this reference is referred to by different names. Contractors can get information about existing subcontractor UTRs from existing vouchers (CIS23, CIS24, CIS25). The UTR will be the

- first ten digits of card number or certificate number on CIS23 or CIS25 in the right corner, or
- all ten digits of the reference number on CIS24 in the right corner

In all cases, the contractor's UTR is the first 10 digits of the "Contractor tax reference" field, bottom left of these vouchers.

## Tax Treatments

[Can a subcontractor have two different tax rates during a tax month, for example the higher rate of deduction and the standard rate?](#)

[What should be done if the tax treatment changes between the point the invoice/valuation is posted to the purchase/nominal ledger and when the payment is actually made?](#)

[How much notice will a contractor receive about a change in a subcontractor's tax treatment?](#)

[What happens when a subcontractor's tax treatment changes, but the contractor does not receive any notification, for example if it is lost in the post?](#)

[There are currently 3 rates of deductions. Are HMRC expecting any more?](#)

[How will the change of tax treatment be notified to contractors?](#)

### **Can a subcontractor have two different tax rates during a tax month, for example the higher rate of deduction and the standard rate?**

Yes. A subcontractor may have two different Tax Treatments within a given period. For example, a subcontractor may be paid weekly and the first two weeks of the period are at the higher rate of deduction. The last two weeks of the period are then paid at the (lower) standard rate.

On the monthly return the contractor should report the four payments – and the appropriate deductions – as a single entry on the return. You should not enter separate entries for different tax treatments.

So, in the above example, the total % deducted for the month would fall between the higher and standard rates and this would be a correct entry.

### **What should be done if the tax treatment changes between the point the invoice/valuation is posted to the purchase/nominal ledger and when the payment is actually made?**

As a general principle, the deduction should be calculated at the point of payment. However, HMRC does not expect contractors to back-out invoices that have already been processed – where this re-processing is onerous.

For example, a subcontractor submits an invoice in month 1 where the higher rate of deduction applies and this item is posted to the purchase/nominal ledger. The subcontractor's tax treatment subsequently changes to the standard rate of deduction before the payment is issued.

In this circumstance the invoice has already been processed and the payment amount has already been calculated (although not yet paid). Once processed, HMRC does not expect the invoice to be retrieved and re-processed, and the higher rate deduction can be applied to the payment. Of course, in this scenario the contractor may elect to re-process the invoice but this is up to the contractor.

### **How much notice will a contractor receive about a change in a subcontractor's tax treatment?**

When a subcontractor's tax treatment changes from gross payment to payment under deduction we will give contractor's 30 days notice of the change.

If a subcontractor's tax treatment changes from payment under deduction to gross then the change will be immediate from receipt of the notice of the change from HMRC.

In either case payments made after the effective date of the change must be made at the new deduction rate. If the subcontractor's recent invoice has already been processed, we would not expect the contractor to re-process it if it is difficult or time-consuming to do so, but we would expect the change to be applied to the next payment.

### **What happens when a subcontractor's tax treatment changes, but the contractor does not receive any notification, for example if it is lost in the post?**

Lost notifications will only occur in exceptional circumstances so we do not expect this to occur very often. HMRC will be able to identify circumstances where contractors are incorrectly making deductions (for example if a notification was not received) and will be able to contact individual contractors as part of our education and compliance activities

**There are currently 3 rates of deductions. Are HMRC expecting any more?**

Not at present. The new scheme will be introduced with the gross (nil deduction), standard and higher rate deductions.

**How will the change of tax treatment be notified to contractors?**

By paper – currently HMRC does not produce electronic tax treatment notifications although these may be introduced at a future date.

## Data

[In what format will the sole trader name be, initial\(s\) and surname?](#)

[Our software only supports a single field for holding subcontractor names, rather than a group of fields \(first name, second name and surname\). Is it possible to store individual names in a single field?](#)

[What if my subcontractor is known by a different trading name to that used by HMRC?](#)

[Will a rate or band be used for notification of the taxation rate?](#)

[In the CIS340 Appendix E there is a Contractor's Employer's Reference Number shown on the example payment and deduction statement. Is this an additional reference over and above the UTR and the Accounts Office reference \(AO Ref\)?](#)

[How are old CIS Registration Card Numbers converted to UTRs?](#)

[How are old CIS Registration Card Numbers converted to UTRs?](#)

### **In what format will the sole trader name be, initial(s) and surname?**

The defined format for personal names is forename/middle name/surname, using the same names they originally registered with. Sole Traders may also be known by their trading name, which is a 56-character field.

### **Our software only supports a single field for holding subcontractor names, rather than a group of fields (first name, second name and surname). Is it possible to store individual names in a single field?**

Sole traders can register two names on new CIS: their personal (taxpayer) name and a registered trading name. The personal (taxpayer) name is one or more forenames and a surname. The trading name is a single 56-character field.

If software vendors only support a single field for storing the name and a personal name is held in that field (for example John Smith) then this should be sent to HMRC as a trading name. In the majority of circumstances HMRC will be able to match a name sent in this manner to our records.

### **What if my subcontractor is known by a different trading name to that used by HMRC?**

HMRC will hold a registered name (their name held on the relevant main tax system - Self Assessment or Corporation Tax) and, if applicable, an additional trading name. HMRC does not hold details of alternative trading names.

When a subcontractor needs to be verified they must give the contractor the details that HMRC has provided. These may differ slightly from their local trading name. Contractors must use the names that are registered with HMRC to get a correct verification reply.

Any changes to Tax Treatment Status will be notified to contractors using the Subcontractor's registered details. If there is a discrepancy between the HMRC trading name and the locally held trading name the contractor may need to confirm identity of the subcontractor by reference to the UTR.

### **Will a rate or band be used for notification of the taxation rate?**

The subcontractor tax treatment is returned as a code in the response data (with values: gross, net or unmatched). This code will need to be translated into a rate (gross, standard rate of deduction or higher rate of deduction in that order).

### **In the CIS340 Appendix E there is a Contractor's Employer's Reference Number shown on the example payment and deduction statement. Is this an additional reference over and above the UTR and the Accounts Office reference (AO Ref)?**

The contractor's UTR and AO Ref are mandatory fields in the CIS monthly return and CIS request schemas.

The Contractor's Employer's Reference Number (also known as the EMPREF for short or the PAYE reference number) is a separate reference. It generally consists of a 3-digit office reference, a forward slash, and up to six numbers (possibly some letters). The Employer Reference is shown on the front of the payment booklet issued to every contractor and employer. It is also included on many other documents where they are issued in the business's role as an employer or contractor (as opposed, say, to corporation tax). So it should be readily to hand for most, if not all, employers and contractors.

The Employer Reference is one of the known facts that is required when registering online for CIS (the other is the Accounts Office Reference). The EMPREF must be included in the GovTalk and IRHeader for all CIS submissions (see the Hints and Tips on GovTalk and IRheader document in the CIS Internet Service Technical Pack for more details).

It must also be quoted on the payment and deduction statements (as shown on page 77 of the CIS340). Contractors should not quote their UTRs on these documents.

### **How are old CIS Registration Card Numbers converted to UTRs?**

Contractors can get information about existing subcontractor UTRs from existing vouchers (CIS23, CIS24, CIS25). The UTR will be the

- first ten digits of the card number or certificate number on CIS23 or CIS25 vouchers in the right
- or all ten digits of the reference number on the CIS24 voucher in the right.

In all cases, the contractor's UTR is the first 10 digits of the "Contractor tax reference" field, bottom left.

### **Can you provide more information about the subcontractor list that will be sent to contractors in late 2006/early 2007?**

There will be no need to verify those subcontractors paid in the two tax years preceding the introduction of the new CIS Scheme but only where, when you last paid them, you had seen one of the following

- registration card, CIS4(P), or
- temporary registration card, CIS4(T) - with an expiry date later than 03/2007 (that is after the new scheme introduction date) or
- tax certificate, CIS6 or CIS5 - with an expiry date later than 03/2007 (that is after the new scheme introduction date).

To help contractors get ready for new CIS, HMRC will be sending to contractors a list of subcontractors they've paid since 6 April 2005, where we can see they have shown you a Registration Card or Certificate that is valid beyond 5 April 2007. After November, you will probably pay more subcontractors before April 2007, so a final list will be sent to you in March/April 2007.

These lists are based on the old CIS vouchers that have been sent in. Subcontractors appearing on the list **don't need to be verified**, if you pay them by 5<sup>th</sup> April 2009. These details are an aid to contractors and are not a substitute for contractors applying the rules above.

If the list has 125 or fewer subcontractors it will be sent to the contractor on paper with a letter explaining how to use it. If the list has more than 125 subcontractors, it will be sent to the contractor on a CD-ROM with a letter explaining how to use it. The data on the CD-ROM will be as comma separated values (.csv format).

The list will show the name of the subcontractor, their unique tax reference, their National Insurance number or company registration number, the date of the last voucher payment and the tax treatment you should apply.

## **CIS Registration**

[Are sole traders able to register with trading names as well as first/second names or are they restricted to providing one or the other?](#)

[Is a subcontractor able to change their details once they have registered for the CIS scheme, for example to add a trading name?](#)

**Are sole traders able to register with trading names as well as first/second names or are they restricted to providing one or the other?**

Yes. Sole traders must provide personal name details on registration and may optionally provide one trading name as part of registration.

**Is a subcontractor able to change their details once they have registered for the CIS scheme, for example to add a trading name?**

Yes. Subcontractors can amend a trading name after registration - but they can only have one registered trading name. It is expected that approximately 80% of businesses on new CIS will have a registered trading name.

## Partnerships

Does a partnership registration apply to the entire partnership, or is it just for a specific partner within that partnership?

Does each partner need to have a separate registration/verification?

Do subcontractor partnerships have only a partnership UTR, or both a partnership UTR and a subcontractor UTR?

Does a contractor have a contract with the partnership, rather than with a specific partner? Or for the purposes of CIS, do they nominate a specific partner as the subcontractor (even though the contractor presumably should receive invoices from the partnership)?

If the contract is with the partnership, does it matter if one partner is registered for CIS and another is not?

When submitting the monthly return should the partner or the partnership details be provided?

In partnerships you need one other data item for the partner besides the partner name (that is one of UTR, NINO or CRN). What happens if you pass more information, is there a preferential order for the extra info and if so what is the order?

### **Does a partnership registration apply to the entire partnership, or is it just for a specific partner within that partnership?**

The registration applies to the partnership. At the time of registration only one registering partner is responsible for registering the partnership. For gross payment the partnership must give details of all the other partners during registration.

### **Does each partner need to have a separate registration/verification?**

The partnership is only registered once. However each partner that is engaged for a contract must be separately verified. That means that any partners that need to be verified must first have registered.

### **Do subcontractor partnerships have only a partnership UTR, or both a partnership UTR and a subcontractor UTR?**

A partnership has a single Unique Tax Reference. However, before payment can be made to a partnership you need to verify the partner you are engaging. To verify a partner/partnership you need to provide both partner and partnership details.

In the Online Verification Request, to get a successful match you must:

- set the business type to partnership
- provide the partnership name and UTR
- provide the partner name and one of UTR/NINO/CRN (depending on the available data and partner type)

### **Does a contractor have a contract with the partnership, rather than with a specific partner? Or for the purposes of CIS, do they nominate a specific partner as the subcontractor (even though the contractor presumably should receive invoices from the partnership)?**

The contractor has a contract with the partnership. However, the tax treatment will depend on the particular partner that is engaged. In exceptional circumstances if more than one partner is engaged then the overall rate of deduction for payments may be the combination of more than one tax treatment. However, usually when a partnership is engaged only one partner will be involved.

**If the contract is with the partnership, does it matter if one partner is registered for CIS and another is not?**

The partner being verified must be registered with CIS.

**When submitting the monthly return should the partner or the partnership details be provided?**

The contractor has a contract with the partnership and monthly payments must be recorded against the partnership, that is the partnership UTR and Name.

**In partnerships you need one other data item for the partner besides the partner name (that is one of UTR, NINO or CRN). What happens if you pass more information, is there a preferential order for the extra info and if so what is the order?**

Within the Verification process, where more than one of the partner's identifiers are known - that is UTR and either CRN or NINO - the UTR will be used in preference to the other identifier.

## Technical Queries

[If I submit a request using the CISRequest-v1-1.xsd scheme, will I receive a reply using the CISresponse-v1-1.xsd scheme?](#)

[Can you advise if the CIS test service will cover verification of nominees where a subcontractor has specified payment due to them is to be to someone else? CIS 340 paragraph 6.9 states a contractor must verify both parties and if payment is to be made gross to the nominee they both must be registered for gross payment. Currently there appears to be no specific scenario to cover this apart from entering the nominee as a subcontractor.](#)

[Under what circumstances will a 7912 error be returned for a verification request?](#)

[What is the length of the Transaction ID field?](#)

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[What happens if the frequency of the poll isn't adhered to?](#)

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[What polling strategy should be used for verifications? What is the average response time before receiving a verification reply?](#)

**If I submit a request using the CISRequest-v1-1.xsd scheme, will I receive a reply using the CISresponse-v1-1.xsd scheme?**

Yes, basically a 'request' will always get a 'reply' and should always use whatever the latest version is.

**Can you advise if the CIS test service will cover verification of nominees where a subcontractor has specified payment due to them is to be to someone else? CIS 340 paragraph 6.9 states a contractor must verify both parties and if payment is to be made gross to the nominee they both must be registered for gross payment. Currently there appears to be no specific scenario to cover this apart from entering the nominee as a subcontractor.**

The mechanism for verifying nominees means that it is not necessary to have a specific scenario in the test service for these cases.

The CIS340 states that both parties must be verified and if payment is to be made gross to the nominee then both parties must be registered for gross payment. If both parties are not registered for gross payment status then the nominee must be paid at the subcontractor tax treatment rate (either the standard rate of deduction or the higher rate of deduction).

This would imply that two separate verifications are made: one for the nominee and one for the subcontractor to confirm the relevant tax treatments. The correct tax treatment to be applied would be calculated using the rules above. The payment details must be recorded on the monthly return against the subcontractor and using the verification number of the subcontractor (since from an HMRC viewpoint the payment is made to the subcontractor).

**Under what circumstances will a 7912 error be returned for a verification request?**

A 7912 error can occur in a number of circumstances. These will usually mean that the scheme is invalid for some reason (for example it has ceased) and verification cannot be performed against the supplied scheme details.

**What is the length of the Transaction ID field?**

This field is shown within the Gateway Submission Protocol document for use in the GovtalkMessage Header. Please refer to that document for more details.

**What happens if a 'Delete Request' is not submitted?**

The 'Gateway' will delete any transactions after 60 days.

**What happens if the frequency of the poll isn't adhered to?**

The Gateway will s the submission.

**What will happen if you don't poll but have a 'Delete Request'?**

If you don't implement polling within your software then you will not be able to use the Internet service, in which case you will only ever receive an acknowledgement to your initial request. If you then submit a delete request in respect of the correlation ID of the acknowledgement, the submission will be deleted without you ever receiving a submit\_response.

**What polling strategy should be used for verifications? What is the average response time before receiving a verification reply?**

There is not a guaranteed service level for responses from the Government Gateway when using the document submission protocol. Responses should be returned quickly (within minutes), but it is possible that the response could take significantly longer. The software will need to cater for both scenarios.

We expect developers to adopt a similar approach as used for PAYE. That is polling approximately each 10 seconds for an initial period of 30 to 40 seconds. If by that point no response has been received the application should then poll much less frequently (for example only on application start-up).

It is important that the initial period of polling is configurable. It may become apparent during implementation that a longer period of polling may be suitable in the first instance. If this is the case we will notify software developers of such changes.