



1.1 | ISSUING OFFICE ADDRESS LINE 1-----X  
 ISSUING OFFICE ADDRESS LINE 2-----X  
 ISSUING OFFICE ADDRESS LINE 3-----X  
 ISSUING OFFICE ADDRESS LINE 4-----X  
 ISSUING OFFICE ADDRESS LINE 5-----X  
 ISSUING OFFICE ADDRESS LINE 6-----X  
 POSTCODE X

1.4 | REPRINT-REFERENCE--X 999999

RECIPIENT NAME LINE 1 -----X  
 RECIPIENT NAME LINE 2 -----X  
 ADDRESS LINE 1 -----X  
 ADDRESS LINE 2 -----X  
 ADDRESS LINE 3 -----X  
 ADDRESS LINE 4 -----X  
 ADDRESS LINE 5 -----X  
 POSTCODE X

1.2 | Unique tax reference (UTR)  
 99999 99999

1.3 | CIS Helpline 9999 999 9999  
 Date of issue DD MMMMMMMMMM CCYY

1.5 | Client's name NAME LINE 1 XXXXXXXXXXXXXXXXXXXXXXXX  
 NAME LINE 2 XXXXXXXXXXXXXXXXXXXXXXXX

1.6 | **Construction Industry Scheme**

1.7 | **Tax treatment review – sole trader**

1.8 | We have recently reviewed our records in relation to your compliance with your tax and National Insurance contributions (NICs) obligations.

1.9 | As a result of this review we are now unable to continue to allow you to be paid without deductions on account of tax and NICs. The reasons for this decision are shown under the heading '**Compliance failures**'. Your tax treatment will therefore change from 'gross' to 'payment under deduction' with effect from 90 days from the date of this letter. Formal details and information about how to appeal against this decision follow the compliance failures.

1.10 | We will write to tell all the contractors that have previously paid you for work within the Construction Industry scheme that all payments made after the period of 90 days from the date of this letter should be paid **after** a deduction has been made from that part of your payment that is for labour. The current rate of deduction is <20%>.

You will not be able to apply again to be paid gross, that is with no deduction on account of tax and NICs, until 12 months from the date that you reverted to payment under deduction. To qualify for gross tax treatment you will need to have a good compliance history for the 12 months immediately before your re-application to be paid gross.

1.11 | Before making any payments to you, each new contractor for whom you work must contact us to confirm your details and the deduction to be made. Please make sure you give each contractor your

- 1.12 • name NAME LINE 1 XXXXXXXXXXXXXXXXXXXXXXXX  
NAME LINE 2 XXXXXXXXXXXXXXXXXXXXXXXX
- Unique tax reference (UTR) 99999 99999
- National Insurance number XX 99 99 99 X

1.16 | please turn over

1.15 | CIS308

1.17 | HMRC 07/12

If you do **not** give these details accurately to the contractor, they will be obliged to make deductions from your payments at a rate of <30%>. You can show this letter to the contractor, but they will only be able to use it to take your details.

This letter does not confirm self-employed status. The correct employment status can only be determined by the terms of each contract that you enter into and it is the contractor's responsibility to get this right.

1.18.1b | **Compliance failures**

- 2 The Self Assessment balancing charge of £<9999999999999999.99> due on <DD MMMMMMMM CCYY> is still outstanding.
- 3 The Self Assessment balancing charge of £<9999999999999999.99>, due on <DD MMMMMMMM CCYY>, had an outstanding amount due of £<9999999999999999.99> as at <DD MMMMMMMM CCYY>.
- 4 The Self Assessment balancing charge of £<9999999999999999.99> due on <DD MMMMMMMM CCYY> was not paid in full until <DD MMMMMMMM CCYY>.
- 5 The Self Assessment first payment on account of £<9999999999999999.99> due on <DD MMMMMMMM CCYY> is still outstanding.
- 6 The Self Assessment first payment on account of £<9999999999999999.99>, due on <DD MMMMMMMM CCYY>, had an outstanding amount due of £<9999999999999999.99> as at <DD MMMMMMMM CCYY>.
- 7 The Self Assessment first payment on account of £<9999999999999999.99> due on <DD MMMMMMMM CCYY> was not paid in full until <DD MMMMMMMM CCYY>.
- 8 The Self Assessment second payment on account of £<9999999999999999.99> due on <DD MMMMMMMM CCYY> is still outstanding.
- 9 The Self Assessment second payment on account of £<9999999999999999.99>, due on <DD MMMMMMMM CCYY>, had an outstanding amount due of £<9999999999999999.99> as at <DD MMMMMMMM CCYY>.
- 10 The Self Assessment second payment on account of £<9999999999999999.99> due on <DD MMMMMMMM CCYY> was not paid in full until <DD MMMMMMMM CCYY>.
- 11 Your <CCYY> – <YY> Tax Return for Self Assessment due on <DD MMMMMMMM CCYY> is still outstanding.
- 12 Interest from Self Assessment of £<9999999999999999.99> due on <DD MMMMMMMM CCYY> is still outstanding.
- 13 Interest from Self Assessment of £<9999999999999999.99>, due on <DD MMMMMMMM CCYY>, had an outstanding amount due of £<9999999999999999.99> as at <DD MMMMMMMM CCYY>.

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- 1.18
- 14 Interest from Self Assessment of £<9999999999999999.99> due on <DD MMMMMMMM CCYY> was not paid in full until <DD MMMMMMMM CCYY>.
  - 15 A Self Assessment penalty of £<9999999999999999.99> due on <DD MMMMMMMM CCYY> is still outstanding.
  - 16 A Self Assessment penalty of £<9999999999999999.99>, due on <DD MMMMMMMM CCYY>, had an outstanding amount due of £<9999999999999999.99> as at <DD MMMMMMMM CCYY>.
  - 17 A Self Assessment penalty of £<9999999999999999.99> due on <DD MMMMMMMM CCYY> was not paid in full until <DD MMMMMMMM CCYY>.
  - 18 Your Contractor's monthly return for reference <999PA99999999> for period ending <DD MMMMMMMM CCYY>, due on <DD MMMMMMMM CCYY>, was not received until <DD MMMMMMMM CCYY>.
  - 19 Your Contractor's monthly return for reference <999PA99999999> for period ending <DD MMMMMMMM CCYY>, due on <DD MMMMMMMM CCYY>, is still outstanding.
  - 20 The PAYE payment for reference <999PA99999999> due for the tax month ending <05 MMMMMMMM CCYY> was received late on <DD MMMMMMMM CCYY>.
  - 21 The PAYE payment for reference <999PA99999999> due for the tax month ending <05 MMMMMMMM CCYY> is still outstanding.
  - 22 Your Employer end of year return (P35 and P14s) for reference <999PA99999999> due on 19 May <CCYY> is still outstanding.
  - 23 A PAYE end of year (P35) underpayment for reference <999PA99999999> of £<9999999999999999.99>, due on <DD MMMMMMMM CCYY>, is still outstanding.
  - 24 A PAYE end of year (P35) underpayment for reference <999PA99999999> of £<9999999999999999.99>, due on <DD MMMMMMMM CCYY>, had an outstanding amount due of £<9999999999999999.99> as at <DD MMMMMMMM CCYY>.
  - 25 A PAYE end of year (P35) underpayment for reference <999PA99999999> of £<9999999999999999.99>, due on <DD MMMMMMMM CCYY>, was not paid in full until <DD MMMMMMMM CCYY>.
  - 26 Your <CCYY> – <YY> Class 1A National Insurance contributions Return, P11D(b), for reference <999PA99999999> due on <DD MMMMMMMM CCYY> is still outstanding.
  - 27 The Class 1A National Insurance contributions charge for reference <999PA99999999> of £<9999999999999999.99>, due on <DD MMMMMMMM CCYY>, is still outstanding.
  - 28 The Class 1A National Insurance contributions charge for reference <999PA99999999> of £<9999999999999999.99>, due on <DD MMMMMMMM CCYY>, had an outstanding amount due of £<9999999999999999.99> as at <DD MMMMMMMM CCYY>.
  - 29 The Class 1A National Insurance contributions charge for reference <999PA99999999> of £<9999999999999999.99>, due on <DD MMMMMMMM CCYY>, was not paid in full until <DD MMMMMMMM CCYY>.
  - 30 Corporation Tax of £<9999999999999999.99> due on <DD MMMMMMMM CCYY> is still outstanding.

- 1.18
- 31 Corporation Tax of £<9999999999999999.99>, due on <DD MMMMMMMM CCYY>, had an outstanding amount due of £<9999999999999999.99> as at <DD MMMMMMMM CCYY>.
  - 32 Corporation Tax of £<9999999999999999.99> due on <DD MMMMMMMM CCYY> was not paid in full until <DD MMMMMMMM CCYY>.
  - 33 A Corporation Tax interest charge of £<9999999999999999.99> due on <DD MMMMMMMM CCYY> is still outstanding.
  - 34 A Corporation Tax interest charge of £<9999999999999999.99>, due on <DD MMMMMMMM CCYY>, had an outstanding amount due of £<9999999999999999.99> as at <DD MMMMMMMM CCYY>.
  - 35 A Corporation Tax interest charge of £<9999999999999999.99> due on <DD MMMMMMMM CCYY> was not paid in full until <DD MMMMMMMM CCYY>.
  - 36 A Corporation Tax penalty charge of £<9999999999999999.99> due on <DD MMMMMMMM CCYY> is still outstanding.
  - 37 A Corporation Tax penalty charge of £<9999999999999999.99>, due on <DD MMMMMMMM CCYY>, had an outstanding amount due of £<9999999999999999.99> as at <DD MMMMMMMM CCYY>.
  - 38 A Corporation Tax penalty charge of £<9999999999999999.99> due on <DD MMMMMMMM CCYY> was not paid in full until <DD MMMMMMMM CCYY>.
  - 39 Your Company Tax Return due on <DD MMMMMMMM CCYY> is still outstanding.
  - 40 You failed to register for Self Assessment with HM Revenue & Customs by 5 October following the end of the <CCYY> – <YY> tax year.
  - 41 For the company to be registered for gross payment, all directors and/or shareholders must have complied with their tax obligations. Unfortunately the company has failed this test, so we have to refuse gross payment status.
  - 42 For an individual to be registered for gross payment as a partner in a firm, all the partners must have complied with their tax obligations. Unfortunately the partnership has failed this test, so we have to refuse gross payment status.
  - 43 Your net construction turnover does not meet the minimum threshold. You have told us your turnover is £<9999999999999999.99> but the required threshold is £<9999999999999999.99>.  
  
The turnover must be equal to, or exceed, the threshold figure of £<30,000>. For partnerships or companies the threshold should be multiplied by the number of partners or relevant persons. Alternatively if a partnership or company has a turnover in excess of £<200,000>, the number of persons involved in the business will not be taken into consideration for the purpose of the turnover test.
  - 44 You have not provided sufficient information on your registration form to pass the business test.
  - 45 <Free text up to a maximum of 90 characters per line including spaces. Allow for 3 lines maximum>  
<Free text up to a maximum of 90 characters per line including spaces. Allow for 3 lines maximum>  
<Free text up to a maximum of 90 characters per line including spaces. Allow for 3 lines maximum>

- 1.18
- 46 A manually raised miscellaneous penalty of £<9999999999999999.99> due on <DD MMMMMMMMMM CCYY> is still outstanding.
  - 47 A manually raised miscellaneous penalty of £<9999999999999999.99>, due on <DD MMMMMMMMMM CCYY>, had an outstanding amount due of £<9999999999999999.99> as at <DD MMMMMMMMMM CCYY>.
  - 48 A manually raised miscellaneous penalty of £<9999999999999999.99> due on <DD MMMMMMMMMM CCYY> was not paid in full until <DD MMMMMMMMMM CCYY>.
  - 49 A PAYE underpayment of £<9999999999999999.99> due on <DD MMMMMMMMMM CCYY> is still outstanding.
  - 50 A PAYE underpayment of £<9999999999999999.99>, due on <DD MMMMMMMMMM CCYY>, had an outstanding amount due of £<9999999999999999.99> as at <DD MMMMMMMMMM CCYY>.
  - 51 A PAYE underpayment of £<9999999999999999.99> due on <DD MMMMMMMMMM CCYY> was not paid in full until <DD MMMMMMMMMM CCYY>.
  - 52 An assessment or determination of £<9999999999999999.99> due on <DD MMMMMMMMMM CCYY> is still outstanding.
  - 53 An assessment or determination of £<9999999999999999.99>, due on <DD MMMMMMMMMM CCYY>, had an outstanding amount due of £<9999999999999999.99> as at <DD MMMMMMMMMM CCYY>.
  - 54 An assessment or determination of £<9999999999999999.99> due on <DD MMMMMMMMMM CCYY> was not paid in full until <DD MMMMMMMMMM CCYY>.
  - 55 A first surcharge of £<9999999999999999.99> due on <DD MMMMMMMMMM CCYY> is still outstanding.
  - 56 A first surcharge of £<9999999999999999.99>, due on <DD MMMMMMMMMM CCYY>, had an outstanding amount due of £<9999999999999999.99> as at <DD MMMMMMMMMM CCYY>.
  - 57 A first surcharge of £<9999999999999999.99> due on <DD MMMMMMMMMM CCYY> was not paid in full until <DD MMMMMMMMMM CCYY>.
  - 58 A second surcharge of £<9999999999999999.99> due on <DD MMMMMMMMMM CCYY> is still outstanding.
  - 59 A second surcharge of £<9999999999999999.99>, due on <DD MMMMMMMMMM CCYY>, had an outstanding amount due of £<9999999999999999.99> as at <DD MMMMMMMMMM CCYY>.
  - 60 A second surcharge of £<9999999999999999.99> due on <DD MMMMMMMMMM CCYY> was not paid in full until <DD MMMMMMMMMM CCYY>.
  - 61 Additional tax following an amendment to your Tax Return of £<9999999999999999.99> due on <DD MMMMMMMMMM CCYY> is still outstanding.
  - 62 Additional tax following an amendment to your Tax Return of £<9999999999999999.99>, due on <DD MMMMMMMMMM CCYY>, had an outstanding amount due of £<9999999999999999.99> as at <DD MMMMMMMMMM CCYY>.
  - 63 Additional tax following an amendment to your Tax Return of £<9999999999999999.99> due on <DD MMMMMMMMMM CCYY> was not paid in full until <DD MMMMMMMMMM CCYY>.

- 64 An over repayment charge of £<9999999999999999.99> due on <DD MMMMMMMMMM CCYY> is still outstanding.
- 65 An over repayment charge of £<9999999999999999.99>, due on <DD MMMMMMMMMM CCYY>, had an outstanding amount due of £<9999999999999999.99> as at <DD MMMMMMMMMM CCYY>.
- 66 An over repayment charge of £<9999999999999999.99> due on <DD MMMMMMMMMM CCYY> was not paid in full until <DD MMMMMMMMMM CCYY>.
- 67 Your <CCYY> – <YY> Partnership Tax Return due on <DD MMMMMMMMMM CCYY> is still outstanding.

1.19 | The formal details of the compliance failures are explained below.

1.20 | You have not complied with your tax and National Insurance contributions (NICs) obligations under Section 66(1), Finance Act 2004. As a result we are now unable to continue to allow you to be paid without deductions on account of tax and NICs.

1.21 | If you do not agree with this decision, you should appeal in writing to me within 30 days from the date of this notice giving your reasons. If we do not agree, we will explain why and ask if you accept this. If you still disagree, we will offer you a review of our decision by a person not involved in making that decision. We will also tell you about your right to appeal to an independent tribunal.

At a hearing of the appeal the grounds for refusal/cancellation may not be limited to the failures listed above and other aspects of your application may be presented to the tribunal. Your appeal should reflect your disagreement with the correctness of one or more of the details supporting the failure decision. Where you believe you had a reasonable excuse for any of the failures listed, you should say what that excuse is and explain how long it lasted. You should also explain what you did to put things right. More information can be found online at [www.hmrc.gov.uk/cis](http://www.hmrc.gov.uk/cis)

1.22 | You may not re-apply for gross payment status within the period of 1 year from the date that loss of gross payment status takes effect. Loss of gross payment status normally takes effect 90 days from the date of this letter, but this may be delayed if you make an appeal against this decision.