

# Payright Construction Industry Scheme

*The Construction Industry Scheme sets out the rules for contractors when making payments to subcontractors for construction work carried out in the UK. Contractors must check details of the subcontractors prior to payment, deduct the appropriate rate of tax, pay the tax over to HM Revenue & Customs and meet all reporting requirements.*

## **Who does this affect?**

All types of businesses (UK & International) which work in the construction industry in the UK are affected, regardless of where the business is based.

This includes 'deemed contractors' who spend more than £1 million a year on construction operations over 3 years.

## **Why is it important to get right?**

A comprehensive penalty regime is in place for failure to operate the scheme correctly e.g. failure to operate the scheme for 1 year for 1 subcontractor only can result in penalties of at least £5,500.

PwC can provide the following services:

- Registration as a contractor
- Registration as a subcontractor
- Application for gross payment status
- Verification of subcontractors before payment
- Completion of monthly CIS300 returns
- Completion of monthly statements for subcontractors
- Advising of tax to be paid to HM Revenue & Customs
- Appealing HM Revenue & Customs notices to withdraw gross payment status following a failure to pass the annual compliance review
- Advising on whether work carried out falls within the scope of CIS
- Training on the operation of the Construction Industry Scheme

## **Contacts**

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