CIS subcontractor checklist

Construction subcontractors register for CIS with their legal business name, UTR, VAT number if registered and trading start date. Registered subcontractors have 20% deducted, unregistered ones 30%. Keep every monthly payment and deduction statement. Sole traders reclaim deductions on their Self Assessment return; limited companies offset them against PAYE through the payroll EPS.

To register

- [ ] Your legal business name, and trading name if it's different.
- [ ] Your Unique Taxpayer Reference (UTR). If you don't have one, register for Self Assessment and choose the subcontractor option.
- [ ] Your VAT registration number, if you're VAT registered.
- [ ] The date you started trading.
- [ ] Your National Insurance number or company registration number, depending on your business.

Every month

- [ ] Give each new contractor your details so they can verify you with HMRC.
- [ ] Get a payment and deduction statement from each contractor within 14 days of the end of the tax month.
- [ ] Check the statement against your invoice and ask the contractor about any difference.
- [ ] File every statement: HMRC may ask for evidence of your deductions.

At the year end

- [ ] Sole traders and partners: report gross pay as income and total deductions as CIS deductions on your Self Assessment return.
- [ ] Limited companies: enter year-to-date CIS deductions on the EPS, never on the Company Tax Return.
- [ ] Companies: keep a record of deductions used against PAYE and the contractors' statements.

Changes to report

- [ ] Changes of trading name or address.
- [ ] Ceasing to trade.
- [ ] A change of business structure, such as becoming a limited company, which usually means registering again.
- [ ] New shareholders, within 30 days if you have gross payment status.

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Guidance and the latest version: https://www.countify.co.uk/resources/checklists/cis-subcontractor-checklist