STATUTORY INSTRUMENTS

2016 No. 348

INCOME TAX
CORPORATION TAX

The Income Tax (Construction Industry Scheme) (Amendment) Regulations 2016

Made - - - -	*11th March 2016*
Laid before the House of Commons - - - -	*14th March 2016*
Coming into force - -	*6th April 2016*

The Commissioners for Her Majesty's Revenue and Customs make the following Regulations in exercise of the powers conferred by sections 135 and 136 of the Finance Act 2002(**1**) and sections 69, 70 and 73 of, and paragraphs 4(3), 7(1), 8(2), 11(1) and (2) and 12(2) of Schedule 11 to, the Finance Act 2004(**2**) and now exercisable by them(**3**).

Citation, commencement and effect

1.—(1) These Regulations may be cited as the Income Tax (Construction Industry Scheme) (Amendment) Regulations 2016 and come into force on 6th April 2016.

(2) Regulation 2(2), (3), (5), (6) and (7) has effect in relation to the tax year 2016-17 and subsequent tax years.

(3) Regulation 2(4) has effect in relation to the tax year 2017-18 and subsequent tax years.

Amendment of the Income Tax (Construction Industry Scheme) Regulations 2005

2.—(1) The Income Tax (Construction Industry Scheme) Regulations 2005(**4**) are amended as follows.

(**1**) 2002 c. 23.
(**2**) 2004 c. 12.
(**3**) The functions of the Commissioners of Inland Revenue under section 136 of the Finance Act 2002, and the sections of, and the paragraphs of Schedule 11 to, the Finance Act 2004 cited, were transferred to the Commissioners for Her Majesty's Revenue and Customs by section 5(1) of the Commissioners for Revenue and Customs Act 2005 (c. 11). Section 50(1) of that Act provides that, in so far as is appropriate in consequence of section 5, a reference, howsoever expressed, to the Commissioners of Inland Revenue is to be taken as a reference to the Commissioners for Her Majesty's Revenue and Customs.
(**4**) S.I. 2005/2045; relevant amending instruments are S.I. 2008/1282, 2011/2391, 2013/620 and 2015/429.

(2) In regulation (2) (interpretation)(**5**) in the definition of "approved method of electronic communications" after "means" insert—

"the internet services provided through the Construction Industry Scheme Online for Contractors(**6**) or PAYE Online for Agents(**7**) or the Electronic Data Interchange services provided through the Construction Industry Scheme Online for Contractors or PAYE Online for Agents, or".

(3) In regulation 4 (monthly return)(**8**) for paragraph (4) substitute—

"(4) The return must be transmitted to the Commissioners for Her Majesty's Revenue and Customs using an approved method of electronic communications unless paragraph (4A) applies or where a direction has been given under paragraph (4B).

(4A) This paragraph applies where a contractor is—

(a) an individual who is a practising member of a religious society or order whose beliefs are incompatible with the use of electronic communications,

(b) a partnership, if all the partners fall within sub-paragraph (a), or

(c) a company if all the directors and the company secretary fall within sub-paragraph (a).

(4B) Where—

(a) a contractor considers that it is not reasonably practicable for that contractor to transmit the monthly returns using an approved method of electronic communications, and

(b) it is the contractor which delivers the return (and not some other person on the contractor's behalf),

the Commissioners for Her Majesty's Revenue and Customs may, by a specific direction, authorise that contractor to transmit the return by a method other than an approved method of electronic communications.".

(4) In regulation 6 (verification etc of registration status of sub-contractor and nominee) after paragraph (2) insert—

"(2A) The contractor must provide the information mentioned in paragraph (2) using an approved method of electronic communications unless paragraph (2B) applies or where a direction has been given under paragraph (2C).

(2B) This paragraph applies where a contractor is—

(a) an individual who is a practising member of a religious society or order whose beliefs are incompatible with the use of electronic communications,

(b) a partnership, if all the partners fall within sub-paragraph (a), or

(c) a company if all the directors and the company secretary fall within sub-paragraph (a).

(2C) Where—

(a) a contractor considers that it is not reasonably practicable for that contractor to provide the information using an approved method of electronic communications, and

(b) it is the contractor which provides the information (and not some other person on the contractor's behalf),

(**5**) Although regulation 2 has been amended none of the amendments is relevant to this instrument.
(**6**) CIS Online can be accessed at https://www.gov.uk/use-construction-industry-scheme-online.
(**7**) PAYE Online can be accessed at https://www.gov.uk/paye-online.
(**8**) Regulation 4 has been amended by article 3(3) of S.I. 2011/2391 and regulation 2(2) of S.I. 2015/429.