

Hello and welcome. This is Gordon D'Silva, the award winning accountant - multi-award winning accountant, actually. Just coming into you briefly on how to deal with CIS.

CIS is obviously the government's scheme that helps businesses take on workers in the building trade. I won't go into all the trades that I included in the building trade, but I do include electricians, carpenters, plumbers, even carpet layers and stuff, so just be careful of that.

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When you hire a CIS worker, one of the first things that you have to be aware of is what your responsibility is as an employer in the broad sense of taking on one of these CIS workers.

The first thing is you got to work out if they're really self-employed. Now, it may sound pretty strange to say you know, are they really self-employed?

The Revenue have over the years tightened and tightened and tightened its grip over this type of analysis -this type of treatment of people who work for you and on for a long period of time.

If they work for you, for a couple of days here or there, you could probably argue very easily that they're self-employed. But if they're working for you day in and day out for a regular period of time, you know whether it's three weeks or whether it's three months or even three years sometimes.

I have had that experience where people have been involved with one company for many years. You've really got to ask yourself whether they're really self-employed because the Revenue could look to put them in an employee status.

Now when they do that, you have a couple of really big problems. First of all, it's the back taxes. Huge amount of tax amassed insured that you could owe. More than that, it opens you up to other types of legislation like employment legislation.

Remember just because you treat them as self-employed and because they're happy to be treated as self-employed right now, there have been many cases where when something happens and these people lose out.

These self-employed people lose out, they then begin to turn the tables and say, "Well, actually we think we were employed and we're entitled to holiday pay and sick pay and so on." So you're going to be really careful.

Are they really self-employed? Get advice from your accountant. It may cost a bit of money but it's probably worthwhile. If you have decided they're self-employed and you are going to take them on CIS, you got to get their UTR number and you got to put it through the government gateway.

Now, if you are an employer and you have a CIS registration level PAY registration, you can go to the government gateway and into the CIS area and check their UTR number and see what rate of tax you have to deduct.

The rate could be zero percent if they have a gross certificate. It could be twenty percent which is the most common if they do not have a gross certificate.

Of course, it could even be thirty percent if you've hadn't submitted their terms and stuff and the Revenue want to claw back and make it hurt.

So, if you don't deduct the right amount of tax and have some evidence to show that you've gone in, I recommend taking screenshots from your computer.

If you need that, we can. There's another video we can put online on how to take screenshots of you checking the day.

These people are on twenty percent, or zero percent, or thirty percent. Protect yourself. It's all about protection nowadays.

It is crazy but the Revenue has really got their teeth into small businesses because they can. They're bully boys. They want to target you because you're the easiest people to get money out of compared to the big companies like Starbucks and Amazon and EBay and stuff who shelter their money offshore and pay minimal amounts of tax because they can afford the big lawyers, the big tax fees to avoid tax.

You and I probably can't, right? So we are clearly the target and in fact on a BBC documentary that was -they'd painfully declare when this group when they interviewed them in the Revenue. So, be careful with that.

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