

SITE SAMURAI

CIS VERIFICATION CHECKLIST

What is CIS Verification?

Before paying a subcontractor for the first time or if you have not paid them for 2 tax years, you must verify them with HMRC. This determines what rate of CIS deduction (if any) you must make from their payments.

CIS DEDUCTION RATES

Status	Deduction Rate	When This Applies
Gross Payment	0%	Subcontractor has gross payment status from HMRC
Registered (Verified)	20%	Registered with HMRC and successfully verified
Unverified / Not Registered	30%	Cannot be verified or not registered for CIS

Quick Reference — HMRC Deduction Rates

- Gross payment status: 0%
 - Standard deduction (registered): 20%
 - Higher rate deduction (unregistered): 30%
- Rates as of 2025/26 tax year. Always verify current rates with HMRC.*

INFORMATION REQUIRED FOR VERIFICATION

- Legal business name (exactly as registered with HMRC) *
Check company registration for exact name
- Unique Taxpayer Reference (UTR) *
10-digit number — subcontractor must provide this
- National Insurance Number (for individuals) *
Or Company Registration Number for limited companies
- Trading name (if different from legal name)
- Business address
- Partnership UTR (for partnerships)

VERIFICATION PROCESS

- 1 Collect Information**
Gather all required details from the subcontractor before their first payment is due
- 2 Verify Online**
Log into HMRC CIS online service and submit verification request
- 3 Record Verification Number**
HMRC will provide a unique verification number — record this
- 4 Note Deduction Rate**
System will confirm if 0%, 20%, or 30% deduction applies
- 5 Update Records**
Record verification date and result in your CIS records
- 6 Make Deductions**
Apply correct deduction rate to labour element of payments

Common Mistakes to Avoid

- Not verifying before making the first payment
- Using wrong business name (must match HMRC records exactly)
- Not re-verifying after 2 tax years of inactivity
- Applying deductions to materials (only labour is subject to CIS)
- Not providing payment and deduction statements to subcontractors
- Missing the monthly return deadline (19th of following month)

RECORD KEEPING REQUIREMENTS

- Keep verification records for at least 3 years after the end of the tax year
- Record date of verification and verification number
- Record deduction rate confirmed by HMRC
- Keep copies of all payment and deduction statements issued
- Maintain monthly return records showing all payments and deductions
- Keep evidence of materials costs (invoices, delivery notes)

SUBCONTRACTOR DETAILS (complete for each new subcontractor)

Business Name:

Trading Name:

UTR Number:

NI Number / Company Reg:

Verification Date (dd/mm/yyyy):

Verification Number:

Deduction Rate:

- 0% Gross
- 20% Verified
- 30% Unverified

Next Re-verification Due: