

PAYMENT AND DEDUCTION STATEMENT

STATEMENT — TO THE SUBCONTRACTOR

The CIS statement to the subcontractor — every particular, within 14 days of the tax month end

KD-CIS-PD-002 Rev A0

The statement a contractor must give, in writing, to every subcontractor from whom a deduction was made — within 14 days after the end of the tax month. A tax month runs from the 6th of one month to the 5th of the next, so the statement is due by the 19th (Income Tax (Construction Industry Scheme) Regulations 2005 reg 4(8); HMRC CIS 340 para 3.15). Give one for the tax month or one for each payment. HMRC lets contractors choose the style of the statement as long as every particular is on it; this sheet carries them all. It may be given electronically only where the subcontractor has agreed and it can be stored and printed (reg 4(9)). For a subcontractor paid gross a statement is good practice but not required (para 3.15). A lost statement is replaced by a copy marked DUPLICATE (para 3.16). HMRC may charge penalties of up to £3,000 for failing to give statements, or for negligently or deliberately giving incorrect ones (para 4.20). Keep a copy with the monthly record KD-CIS-MP-003. CIS applies to construction work in the UK (HMRC CIS 340 para 2.19), so this record is the same in England, Wales, Scotland and Northern Ireland.

DEADLINE — THE 19TH

Give this statement by the 19th of the month after the tax month it covers. This is the contractor's own statement, not an HMRC form. The Regulations and HMRC's guidance govern: check CIS 340 for changes, and take advice where tax is at stake.

1 CONTRACTOR

CONTRACTOR'S NAME	EMPLOYER'S REFERENCE	CONTACT FOR QUERIES

2 SUBCONTRACTOR

SUBCONTRACTOR'S NAME	SUBCONTRACTOR'S UTR	VERIFICATION NUMBER
☐ Registered for payment under deduction — standard rate	☐ Not registered or not matched — higher rate	

3 PERIOD

☐ Statement for the tax month ending on the date below		☐ Statement for a single payment made on the date below	
DATES			
TAX MONTH END / PAYMENT DATE	STATEMENT DUE BY	GIVEN ON	HOW GIVEN
☐ DUPLICATE — replaces a statement that was lost or did not arrive (CIS 340 para 3.16)			

4 PAYMENTS AND DEDUCTION

Gross amount: the payments made in the tax month (or the single payment), excluding VAT the subcontractor charged if it is VAT registered, and including any travelling expenses and subsistence paid (paras 3.11 and 3.12). Materials: what the subcontractor itself paid for materials, consumable stores, fuel other than for travelling, plant hired from a third party, and the manufacture or prefabrication of materials, excluding VAT if the subcontractor is VAT registered and including the VAT it paid if it is not (paras 3.12 to 3.14). The deduction is the rate HMRC gave, applied to the amount liable to deduction. Leave out anything shown on an earlier statement (para 3.19).

DATE PAID	INVOICE / APP. REF	GROSS £ EXCL. VAT	MATERIALS £	LIABLE £	DEDUCTION £	NET PAID £

TOTALS FOR THIS STATEMENT

Gross amount of the payments (excluding VAT)	
Cost of materials that reduced the amount liable to deduction	
Amount liable to deduction (gross less materials)	
AMOUNT DEDUCTED	
Net amount paid	
VAT charged by the subcontractor (for information)	

PAYMENT AND DEDUCTION STATEMENT

continued

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5 FOR THE SUBCONTRACTOR

Keep this statement. It records the deduction made from your payments on account of tax under the Construction Industry Scheme, and you will need it when you claim credit for the deduction.

Issued for the contractor:

PRINTED NAME	ROLE	SIGNATURE	DATE

R REVISION HISTORY

Every revision of this document, and every review that found nothing to change. The revision on the front of this sheet is the one you are holding — check kubitdocs.com for the current one before use.

Rev	Date	Class	What changed	Authorised by
D0	2026-09-12	first-issue	First issue.	— not yet approved —
A0	2026-09-12	review	Approved for issue by the author. Content unchanged from the reviewed draft; the draft status strip is removed. No independent third-party review has been carried out.	Author — director, UK principal contractor, SMSTS. Not an independent review.

Class: first-issue · material (the law, a control, a field or the scope changed — past buyers are notified) · editorial (wording or layout only) · review (checked, nothing changed) · withdrawal. Revision prefix D = draft, not approved and not for sale; A = approved for issue by the person named, on the date shown.