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STATUTORY INSTRUMENTS

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**2003 No. 2682**

**The Income Tax (Pay As You Earn) Regulations 2003**

**PART 4**

**PAYMENTS, RETURNS AND INFORMATION**

**CHAPTER 3**

**PAYE RECORDS**

**Inspection of employer's PAYE records**

**97.**—(1) Whenever required do so by an authorised officer of the Board, an employer must produce to that officer all PAYE records, or such PAYE records as may be specified by the officer, for inspection at the prescribed place and at such time as that officer may reasonably require.

(2) "PAYE records" means the following documents and records—

(a) all wages sheets, deductions working sheets, documents completed under regulation 46 (Form P46) (other than those which the employer has sent to the Inland Revenue), and other documents and records relating to—

(i) the calculation of the PAYE income of the employees,

(ii) relevant payments to the employees, or

(iii) the deduction of tax from, or accounting for tax in respect of, such payments, and

(b) all documents and records relating to any information which an employer is required to provide to the Inland Revenue under regulation 85 (Forms P11D and P9D).

(3) "The prescribed place" means such place in the United Kingdom as the employer and the authorised officer may agree upon, or in the absence of agreement—

(a) the place in the United Kingdom at which the PAYE records are normally kept, or

(b) if there is no such place, the employer's principal place of business in the United Kingdom.

(4) The authorised officer may—

(a) take copies of, or make extracts from, any document produced for inspection in accordance with paragraph (1);

(b) remove any document so produced if it appears to the officer to be necessary to do so, at a reasonable time and for a reasonable period.

(5) If any document is removed in accordance with paragraph (4)(b), the authorised officer must provide—

(a) a receipt for the document, and

(b) a copy of the document, free of charge, to the person by whom it was produced or caused to be produced, within 7 days of that person requesting a copy, if the document is reasonably required for the proper conduct of a business.

(6) If a lien is claimed on a document produced in accordance with paragraph (1), the removal of the document under paragraph (4)(b) is not to be regarded as breaking the lien.

(7) If records are maintained by computer, the person required to make them available for inspection must provide the authorised officer with all facilities necessary for obtaining information from them.

(8) For the purposes of this regulation, an employer must keep, for not less than 3 years after the end of the tax year to which they relate, all PAYE records which are not required to be sent to the Inland Revenue by other provisions of these Regulations.