

*This Statutory Instrument has been made to correct an error in S.I. 2007/2069 and is being issued free of charge to all known recipients of that Statutory Instrument*

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STATUTORY INSTRUMENTS

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**2007 No. 2296**

**INCOME TAX**

**The Income Tax (Pay As You Earn) (Amendment No. 3)  
Regulations 2007**

<i>Made</i>	- - - -	<i>2nd August 2007</i>
<i>Laid before the House of Commons</i>		<i>3rd August 2007</i>
<i>Coming into force</i>	- -	<i>6th August 2007</i>

The Commissioners for Her Majesty's Revenue and Customs make the following Regulations in exercise of the powers conferred by sections 684 and 688A(1) to (4) of the Income Tax (Earnings and Pensions) Act 2003(a) and now exercisable by them(b).

**Citation and commencement**

1. These Regulations may be cited as the Income Tax (Pay As You Earn) (Amendment No. 3) Regulations 2007, and shall come into force on 6th August 2007 immediately after the Income Tax (Pay as You Earn) (Amendment No. 2) Regulations 2007(c).

**Amendment of the Income Tax (Pay As You Earn) Regulations 2003**

2. In the Income Tax (Pay As You Earn) Regulations 2003(d), in regulation 97D(8) (time limits for issue of transfer notices), for "12 months" substitute "three months".

*Dave Hartnett  
Mike Hanson*

2nd August 2007

Two of the Commissioners for Her Majesty's Revenue and Customs

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- (a) 2003 c. 1. Section 684 was amended by section 145(1) and (2) of the Finance Act 2003 (c. 14), paragraph 117 of Schedule 4 to the Commissioners for Revenue and Customs Act 2005 (c. 11) and section 94(3) of the Finance Act 2006 (c. 25). Section 688A was inserted by paragraph 6 of Schedule 3 to the Finance Act 2007 (c. 11).
- (b) The functions of the Commissioners of Inland Revenue were transferred to the Commissioners for Her Majesty's Revenue and Customs by section 5(2) of the Commissioners for Revenue and Customs Act 2005. Section 50 of that Act provides that in so far as it is appropriate in consequence of section 5 a reference in an enactment, however expressed, to the Commissioners of Inland Revenue is to be read as a reference to the Commissioners for Her Majesty's Revenue and Customs.
- (c) S.I. 2007/2069.
- (d) S.I. 2003/2682, amended by S.I. 2007/2069; there are other amending instruments, but none is relevant.

## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations correct an error in the Income Tax (Pay as You Earn) (Amendment No. 2) Regulations 2007 (S.I. 2007/2069) (“the 2007 Regulations”), which insert a new Chapter 4 into Part 4 of the Income Tax (Pay as You Earn) Regulations 2003 (S.I. 2003/2682) (“the PAYE Regulations”). The new Chapter, consisting of regulations 97A to 97L, deals with debts of managed service companies. However, regulation 97D(8) of the PAYE Regulations refers to a period of 12 months, and not (as was intended) to a period of three months. These Regulations correct that error.

A full regulatory impact assessment of the effect that the provisions in the Finance Act 2007 relating to managed service companies will have on the costs of business and the voluntary sector is published on HM Revenue and Customs’s website at [www.hmrc.gov.uk/ria/full-ria-man-serv-coys.pdf](http://www.hmrc.gov.uk/ria/full-ria-man-serv-coys.pdf), and is annexed to the Explanatory Memorandum which is available alongside the 2007 Regulations on the OPSI website.

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