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STATUTORY INSTRUMENTS

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**2012 No. 1895**

**INCOME TAX**

**The Income Tax (Pay As You Earn)  
(Amendment No. 2) Regulations 2012**

<i>Made</i>	- - - -	<i>18th July 2012</i>
<i>Laid before the House of Commons</i>	- - - -	<i>19th July 2012</i>
<i>Coming into force</i>	- -	<i>9th August 2012</i>

The Commissioners for Her Majesty's Revenue and Customs make the following Regulations in exercise of the powers conferred by section 136 of the Finance Act 2002<sup>(1)</sup> and section 684 of the Income Tax (Earnings and Pensions) Act 2003<sup>(2)</sup> and now exercisable by them<sup>(3)</sup>:

**Citation, commencement and effect**

1.—(1) These Regulations may be cited as the Income Tax (Pay As You Earn) (Amendment No. 2) Regulations 2012 and come into force on 9th August 2012.

(2) These Regulations have effect in relation to relevant payments made on and after 1st September 2012.

(3) In paragraph (2), “relevant payments” has the meaning given in regulation 4 of the Income Tax (Pay As You Earn) Regulations 2003<sup>(4)</sup>.

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

2. The Income Tax (Pay As You Earn) Regulations 2003 are amended by the insertion after regulation 67C of the following—

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- (1) [2002 c.23](#).
- (2) [2003 c.1](#). Section 684 was amended, so far as relevant, by section 145 of the Finance Act 2003 ([c.14](#)), paragraphs 2, 3 and 7 of Schedule 58 to the Finance Act 2009 ([c.10](#)) and section 225 of the Finance Act 2012 ([c.14](#)).
- (3) Paragraph 102 of Schedule 4 to the Commissioners for Revenue and Customs Act 2005 ([c.11](#)) (“CRCA”) amended section 684 of the Income Tax (Earnings and Pensions) Act 2003 so that the Commissioners for Her Majesty's Revenue and Customs have the power to make the Regulations. The functions of the Commissioners of Inland Revenue under section 136 of the Finance Act 2002 were transferred to the Commissioners for Her Majesty's Revenue and Customs by section 5(1) of CRCA. Section 50(1) of CRCA provides that, in so far as is appropriate in consequence of section 5, a reference, howsoever expressed, to the Commissioners of Inland Revenue is to be taken as a reference to the Commissioners for Her Majesty's Revenue and Customs.
- (4) [2003/2682](#); relevant amending instruments are [S.I. 2007/1077](#), [2010/688](#) and [2012/822](#).

**“Notifications of relevant payments to and by providers of certain electronic payment methods**

**67CA.**—(1) A Real Time Information employer who makes a relevant payment using an approved method of electronic communications which falls to be included in a return under regulation 67B must—

- (a) generate a reference under paragraph (3) and include it in that return,
- (b) notify the service provider that the payment is a relevant payment, and
- (c) generate a sub-reference under paragraph (3) in respect of the relevant payment and notify the service provider of that sub-reference.

(2) A service provider who receives a notification under paragraph (1)(b) must notify HMRC of the information it holds that is required for generating a reference under paragraph (3) in relation to the relevant payment.

(3) A reference and sub-reference under this paragraph is to be generated using the method specified by the Commissioners for Her Majesty’s Revenue and Customs in a direction.

(4) In paragraphs (1) and (2), “service provider” means the provider of the approved method of electronic communications using which the payment is made.

(5) For the purposes of paragraphs (1) and (4), an “approved method of electronic communications” is any method of electronic communications which has been approved for the purposes of regulation 199 (large employers required to make specified payments electronically).

(6) A direction under paragraph (3) may also—

- (a) specify circumstances in which paragraphs (1) and (2) are not to apply, and
- (b) specify the form and manner of the notifications required by paragraphs (1)(b) and (c) and (2).”.

*Mike Eland  
Dave Hartnett*

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

18th July 2012

## EXPLANATORY NOTE

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

The Income Tax (Pay As You Earn) (Amendment) Regulations 2012 (“the 2012 Regulations”) amended the Income Tax (Pay As You Earn) Regulations 2003 to make provision for the changes being made to the Pay As You Earn system by the Real Time Information programme and, in particular, inserted new regulation 67B. This requires employers to report pay and tax information to HM Revenue and Customs (“HMRC”) each time a relevant payment is made to an employee.

These Regulations require certain employers to include a reference in a return under regulation 67B. They also require the providers of certain electronic payment services to provide information relevant to the creation of that reference to HMRC.

These Regulations also provide for the Commissioners for Her Majesty’s Revenue and Customs to make directions specifying details about how this process will work and excluding specified employers from the new obligations.

A Tax Information and Impact Note covering this instrument was published on 15th March 2012 alongside the 2012 Regulations and is available on the HMRC website at <http://www.hmrc.gov.uk/thelibrary/tiins.htm>. It remains an accurate summary of the impacts that apply to this instrument.