

2014 No. 474

INCOME TAX

**The Income Tax (Pay As You Earn) (Amendment) Regulations
2014**

<i>Made</i> - - - -	<i>1st April 2014</i>
<i>Laid before the House of Commons</i>	<i>2nd April 2014</i>
<i>Coming into force</i> - -	<i>6th April 2014</i>

The Commissioners for Her Majesty's Revenue and Customs make the following Regulations pursuant to section 1(1) and (2) of the Provisional Collection of Taxes Act 1968(a) and a resolution passed by the House of Commons on 25th March 2014(b):

Citation, commencement and effect

1. These Regulations may be cited as the Income Tax (Pay As You Earn) (Amendment) Regulations 2014 and come into force on 6th April 2014.

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

- 2.—(1) The Income Tax (Pay As You Earn) Regulations 2003(c) are amended as follows.
(2) After regulation 84 insert—

“Continental shelf workers: provisions relating to certificates

Application for certificate

84A.—(1) An employer who meets the conditions in paragraph (2) may apply to HMRC(d) for the issue of a UKCS continental shelf workers certificate.

(2) The conditions are that—

- (a) the employer supplies or intends to supply a continental shelf worker for whom the oil field licensee is the relevant person;

(a) 1968 c.2.

(b) Budget resolution number 15, recorded in the House of Commons Votes and Proceedings for the 25th March 2014. The resolution contains a declaration that it is expedient in the public interest that the resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968. Section 1(3) to (5) of that Act set out the circumstances in which the resolution will cease to have statutory effect. By virtue of section 1(5), the resolution will cease to have effect once provisions corresponding to those are enacted by the Finance Act 2014. The resolution will in any case cease to have effect on 5th August 2014 by virtue of section 1(3). Relevant amendments to section 1(3) to (5) were made by section 60 of the Finance Act 1968 (c. 44), section 205(3) and (5) of the Finance Act 1993 (c. 34), section 112(1) of the Finance Act 2007 (c. 11) and section 88(8) of the Finance Act 2011 (c.11).

(c) S.I. 2003/2682; relevant amendments made by S.I. 2012/822, 2012/1895 and 2013/521.

(d) The definition of “HMRC” can be found in regulation 2(1) of S.I. 2003/2682.

- (b) the employer has or intends to have a contractual relationship under which the employer acts, directly or indirectly, as an agent of the oil field licensee in connection with these Regulations; and
 - (c) the employer or an associated company has not had a certificate cancelled previously for a failure to comply with their obligations under regulation 84B.
- (3) An application under this regulation must be made in writing and must include—
- (a) the name and address of the employer and employer’s PAYE reference;
 - (b) the name and address of a person in the United Kingdom who is authorised to accept service on behalf of the employer;
 - (c) confirmation that the employer understands and intends to comply with their obligations contained in regulation 84B; and
 - (d) the name, address, and employer’s PAYE reference of any associated company which is a current or former holder of a UKCS continental shelf workers certificate.
- (4) When the employer makes the first application under this regulation, the employer may also comply with the obligation under regulation 84B(e) by including those details (if known) in the application.
- (5) An application made under this regulation may be combined with an application made under regulation 114A of the SSC Regulations(a).
- (6) Upon receipt of an application under this regulation, an officer of Revenue and Customs may, if they are satisfied the conditions in paragraph (2) are met, issue a UKCS continental shelf workers certificate.
- (7) A UKCS continental shelf workers certificate must include—
- (a) the name of the UKCS continental shelf workers certificate holder;
 - (b) the employer’s PAYE reference of the UKCS continental shelf workers certificate holder; and
 - (c) the date on which the certificate is issued.
- (8) A UKCS continental shelf workers certificate may be issued to—
- (a) the person authorised to accept service on behalf of the employer;
 - (b) the employer; or
 - (c) both the person authorised to accept service on behalf of the employer and the employer.
- (9) A certificate may be combined with a certificate issued under regulation 114A of the SSC Regulations.
- (10) Where an employer ceases to meet the conditions in paragraph (2) or to comply with its obligations under regulation 84B, or regulation 114B of the SSC Regulations(b), an officer of Revenue and Customs may, by notice in writing to the person authorised to accept service on behalf of the employer, cancel the UKCS continental shelf workers certificate from the date specified in the notice of cancellation.
- (11) The date specified in paragraph (10) may not be earlier than 10 working days after the date of the notice.
- (12) A notice under paragraph (10) may be combined with a notice under regulation 114A of the SSC Regulations.
- (13) In this regulation “associated company” means any company within the meaning of section 449 of the Corporation Tax Act 2010(c).

(a) The definition of the “SSC Regulations” can be found in regulation 2(1) of S.I. 2003/2682. Regulation 114A was inserted by regulation 2(3) of S.I. 2014/572.

(b) Regulation 114B was inserted by regulation 2(3) of S.I. 2014/572.

(c) 2010 c. 4.

UKCS continental shelf workers certificate holder: obligations

84B.—(1) A UKCS continental shelf workers certificate holder must—

- (a) make such deductions, returns and repayments as are required of a relevant person;
- (b) keep written records of—
 - (i) the name, date of birth, and national insurance number of the continental shelf workers supplied;
 - (ii) the name, registered office and oil field licence number of the oil field licensee to whom each of the workers were supplied;
 - (iii) the offshore installation to which each of the workers were supplied; and
 - (iv) the dates between which the workers worked on the offshore installation;
- (c) keep the records required by sub-paragraph (b) for a period of 6 years from the end of the tax year to which they relate;
- (d) where an officer of Revenue and Customs requires them in writing to do so, provide copies of the records required by sub-paragraph (b) to HMRC within 30 days of the date of the request; and
- (e) before supplying the oil field licensee with continental shelf workers for the first time, inform HMRC in writing of the details of the oil field licensee including name, business address, and oil field licence number of the oil field licensee.

(2) In this regulation “offshore installation” means a structure which is, is to be, or has been, put to a relevant use while in water but a structure is not an offshore installation if—

- (a) it has permanently ceased to be put to a relevant use,
- (b) it is not, and is not to be, put to any other relevant use, and
- (c) since permanently ceasing to be put to a relevant use, it has been put to a use which is not a relevant use.

(3) In paragraph (2) a use is a relevant use if it is—

- (a) for the purposes of exploiting mineral resources,
- (b) for the purposes of exploration with a view to exploiting mineral resources,
- (c) for the storage of gas in or under the shore or the bed of any waters,
- (d) for the recovery of gas so stored,
- (e) for the conveyance of things by means of a pipe,
- (f) mainly for the provision of accommodation for individuals who work on or from a structure which is, is to be, or has been put to any of the above uses while in the water,
- (g) for the purposes of decommissioning any structure which has been used for or in connection with any of the relevant uses above.

(4) For the purposes of paragraphs (3) and (4) a structure is put to use while in water if it is put to use while—

- (i) standing in any waters,
- (ii) stationed (by whatever means) in any waters, or
- (iii) standing on the foreshore or other land intermittently covered with water.

(5) For the purposes of paragraphs (2), (3) and (4) a “structure” includes a ship or other vessel except where it is used wholly or mainly—

- (a) for the transport of supplies;
- (b) as a safety vessel;
- (c) for a combination of (a) and (b); or

- (d) for the laying of cables.

UKCS oil field licensee certificate

84C.—(1) Where a UKCS continental shelf workers certificate holder has notified HMRC that the employer intends to supply continental shelf workers to an oil field licensee an officer of Revenue and Customs must issue a UKCS oil field licensee certificate to the oil field licensee.

(2) The UKCS oil field licensee certificate must include—

- (a) the name of the oil field licensee;
- (b) the registered office of that oil field licensee;
- (c) the oil field licence number;
- (d) the name of the UKCS continental shelf workers certificate holder;
- (e) the date on which it is issued; and
- (f) a description of the continental shelf workers to whom it applies.

(3) Where a UKCS oil field licensee certificate is in force the holder of that certificate is not liable to make deductions in respect of any continental shelf worker of a description set out in the certificate.

(4) If a UKCS continental shelf workers certificate is cancelled by an officer of Revenue and Customs that officer must also, by notice in writing, cancel the UKCS oil field licensee certificate.

(5) A notice under paragraph (4) must—

- (a) be sent on the same day as the notice cancelling the UKCS continental shelf workers certificate;
- (b) specify the date of cancellation of the UKCS oil field licensee certificate; and
- (c) notify the oil field licensee that it is liable to meet its obligations as a relevant person.

(6) The date of cancellation of the UKCS oil field licensee certificate must be the same date as that specified in the UKCS continental shelf workers certificate cancellation notice.

(7) In this regulation “UKCS oil field licensee certificate” means a certificate issued under paragraph (1).

Interpretation of regulations 84A to 114C

84D. In regulations 84A to 84C—

“oil field licensee” means the holder of a licence under Part 1 of the Petroleum Act 1998(a) in respect of the area in which the duties of the continental shelf worker’s employment are performed;

“UKCS continental shelf workers certificate” means a certificate issued under regulation 84A.”.

Jim Harra
Edward Troup

1st April 2014

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

(a) 1998 c.17.

EXPLANATORY NOTE

(This note is not part of the Regulations)

The Income Tax (Pay as You Earn) Regulations 2003 (“the 2003 Regulations”) make provision, amongst other things, for the deduction and payment of income tax on PAYE income and for returns for that purpose.

Regulation 3 inserts new regulations 84A to 84D into the 2003 Regulations in order to provide for the issue of certificates where an employer with no presence in the United Kingdom discharges filing and payment responsibilities on behalf of the oil field licensee.

These Regulations are made in exercise of a power contained in resolution number 15, passed by the House of Commons on 25 March 2014 following the Budget held on 19 March 2014. The resolution has temporary statutory effect by virtue of section 1 of the Provisional Collection of Taxes Act 1968. It provides that the Commissioners for Her Majesty’s Revenue and Customs may by regulations make provision for and in connection with the issue by HMRC of a certificate to a relevant person in respect of one or more continental shelf workers.

The provisions of the resolution correspond to provisions contained in clause 21 of Finance (No.2) Bill 2014, as published by the House of Commons on 27 March 2014. Assuming that the clause is not rejected during the passage of the Bill through Parliament, those provisions will come into force when the Bill receives Royal Assent, and the Regulations made under the resolution will continue to have statutory effect by virtue of those provisions of the Act arising from the Bill.

A Tax Information and Impact Note covering this instrument was published on 10 December 2013 alongside the draft legislation and is available on the Gov.uk website at <https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins#finance-bill-2014-10-december-2013>. An updated Tax Information and Impact Note will be published on that website.

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