



**Large Business**

HM Revenue and Customs  
1724  
NEWCASTLE  
NE98 1ZZ

**Date** [date to be added]

**Web** [www.gov.uk](http://www.gov.uk)

**Ref** Large Business CIS Deemed Contractor  
Project

Dear [ Details to be entered ],

### Please check if you need to submit CIS returns

We're writing to insurance businesses that may commission construction work, either directly or through a loss adjuster. We want to make them aware of their obligations under the Construction Industry Scheme (CIS).

If you spend more than £3 million on construction operations in any rolling one-year period, you're a 'deemed contractor'. You need to register for the CIS and include any contract payments for construction work on monthly CIS returns.

Some deemed contractors in the insurance sector haven't registered for the CIS. Others have registered but haven't included contract payments to loss adjusters on their monthly CIS returns. We want to help businesses get this right.

### What you need to do

If you're a deemed contractor, you need to register for the CIS and start making deductions from contract payments within 90 days of the date of this letter.

You also need to:

- verify that the subcontractors you pay are registered for CIS
- pay us any CIS deductions you take from subcontractor payments
- submit monthly CIS returns showing all your contract payments to subcontractors, including loss adjusters and subcontractors with gross payment status.

For more guidance on this, go to GOV.UK and search 'what you must do as a CIS contractor'.

### If you don't take any action

If you don't do anything we may start a compliance check. If we do this, we'll write to you. If we start a compliance check and find errors in your CIS returns we'll treat any disclosure you make as prompted. This may affect any penalties you have to pay.

For more information, go to GOV.UK and search 'HMRC compliance checks factsheets', then choose 'Penalties'.

You don't have to do anything if either:

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If you need extra support, for example if you have a disability, a mental health condition, or do not speak English/Welsh, go to [www.gov.uk](http://www.gov.uk) and search for 'get help from HMRC'.  
Text Relay service prefix number – 18001



- you already submit CIS returns for all construction contract payments
- you've read the guidance and the CIS doesn't apply to you.

### **More information**

CIS covers most construction work. For details of the types of work included, and the exceptions, go to GOV.UK and search 'CIS'.

Any business that makes a payment that covers construction work needs to consider whether they are a deemed contractor under the CIS. A common example in the insurance sector is when an insurer pays a subcontractor (either directly or through a loss adjuster) for construction work on a policy holder's property, as part of their building insurance cover.

Payments to loss adjusters are covered by the CIS only when they partly or wholly cover the cost of commissioning or undertaking construction work.

For a guide to the CIS for contractors and subcontractors, go to GOV.UK and search 'CIS340'.

You can also call our CIS Helpline on 0300 200 3210 for general advice and support.

Yours sincerely

[Signature]