
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, and is annexed to the Explanatory Memorandum which is available alongside the 2007 Regulations on the OPSI website.