



## Guide for Suppliers in the Construction Industry Scheme (CIS)

Updated Nov'22

Dear Supplier,

You have been identified as a supplier who is subject to the Construction Industry Scheme (CIS) and is using Coupa to submit invoices. We have previously informed you of how to process CIS invoices in Coupa, i.e., you need to indicate if your invoices are for services that are in/out of scope of CIS, and you need to specify the labour cost of the service.

Over the last few weeks, **we have enabled additional functionality to allow CIS gross status suppliers to submit invoices with the correct tax treatment.** If submitting a material only invoice, you must select "In Scope" from the CIS related cost drop down and populate "0.01" pence in the Labour Cost field. Please also select Reverse Charge (Tax) to ensure the invoice is automatically processed.

As a reminder, Mitie is required to submit CIS returns and required deductions taken from subcontractor payments to HMRC on a monthly basis. See link to HMRC guidance below.

### [HMRC CIS Guide](#)

VAT should no longer be charged on invoices for CIS services. Suppliers must apply reverse charge VAT accounting to CIS invoices subject to the reverse charge and Mitie will account for the VAT to HMRC. See link to HMRC guidance below.

### [HMRC VAT Construction Reverse Charge Guide](#)

Please note that to correctly apply VAT reverse charge and generate the required statement on invoices, Suppliers must select "Reverse Charge" as the "**Tax Rate**" in Coupa.

Suppliers must also populate the "**Tax Reference**" field to generate the statement regarding VAT reverse charge that is legally required on Supplier invoices. Suppliers should start to type either of the below in "**Tax Reference**", and Coupa will populate the statement:

1. CS – 20% construction reverse charge; or
2. CR – 5% construction reverse charge.

HMRC expect Mitie to ensure Suppliers comply with CIS and VAT rules, therefore Coupa has been designed in such a way to help Suppliers correctly operate CIS and VAT.

Coupa will identify CIS suppliers and where information is missing or appears incorrect Coupa will generate warnings asking Suppliers to double check how invoice information is being inputted. In certain cases, the invoice will be processed and then immediately sent to "**Auto Dispute**" and Suppliers will be informed the invoice requires to be credited and resubmitted with full and correct information.