

## What is IR35?

Advice, help and information.  
Understanding off-payroll working.



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# Overview

Many businesses and organisations are being affected with the imminent reform to **IR35 taxation** laws from the 6th April 2021.



- Does your organisation **work directly** with **LTD contractors** for off-payroll solutions?
- Are you aware you could be subject to a **legal investigation** from HMRC which could result in financial penalties?
- Do you fully understand **how the changes affect you?**
- Are you confident you know **how to be compliant?**
- Would you be interested in a **solution** which mitigates your risk whilst still allowing you to **engage with contractors?**

# What are the changes?

Whereas before it was the responsibility of the LTD company to determine their IR35 status, it will now be the client that is responsible for determining the IR35 status of all PSC/LTD company contractors they are working with.

As a result, this means you could now be subject to an investigation by HMRC, the consequences of which could be legal action, large backdated tax bills and additional financial penalties.



# How do I ensure compliance?

In order to comply with the new rules, clients will have to take reasonable care in assessing the working practices of each contractor to determine their IR35 status.



## But what is reasonable care?

Reasonable care is the **review** and **documentation** of working practices for each and every **contract engagement with a Limited company** to determine their IR35 status. This is evidenced in a document known as a **Status Determination Statement (SDS)**, and one **MUST** be completed for every single engagement, including contract extensions.

# We can help!

VIQU is an industry-leading team advising SMEs in **IR35 compliance, consulting & insurance**. We have created a solution that relieves both the timely administration involved in being compliant and the risk of costly fines imposed by the HMRC following a legal investigation.



# We will absorb the increased administration

For clients with multiple contractor engagements across different business areas, this could mean a dramatic increase in administrative workload. Not only is this extremely time-consuming and costly, many organisations are unclear whom within the organisation the responsibility should lie.

VIQU will work alongside your business to absorb all of the administration requirements. This will include a thorough review of each individual contract engagement to determine and pinpoint the IR35 status. If a result is borderline between inside/outside, we will undergo a consultation phase to ensure a definitive status is produced. Where appropriate, we will recommend changes to strengthen the final determination. Once agreed we will produce a detailed SDS on your behalf, which can then be documented as evidence that reasonable care has been taken.



# We will mitigate your financial risks

Even after an organisation uses reasonable care to determine the IR35 status of their LTD company engagements, including producing an SDS for each contract, there is still the risk of an investigation by HMRC, which could result in tax arrears and financial penalties should they disagree with your process or SDS.

By using VIQU's IR35 consultation, you will indemnify all parties in the chain against any HMRC investigation which may result in tax arrears or financial penalties. Our insurance policy is underwritten by Zurich and provides cover for up to £100k of legal fees and £100k of tax arrears/fines should in the unlikely event a court case be lost to HMRC. The indemnity is specific to EACH contract engagement and not a blanket cover.



# End-to-end solution

VIQU have created the only solution that combines the very best technology with expert support.

What you will get	VIQU	Traditional
Free role-based assessments	✓	✓
Individual assessments (inc. SDS)	✓	✓
Expert review of borderline results	✓	✗
Downloadable reports and recommendations	✓	✗
Integrated status disagreement process	✓	✗
Audit log for your records	✓	✗
Access to IR35 Protect insurance	✓	✗
IR35 training for your staff	✓	✗
Unlimited access to IR35 helpline	✓	✗
Full assessment of contracts	✓	✗
Support with events and client meetings	✓	✗
Regular tax and legal updates	✓	✗
Annual review and risk assessment	✓	✗





## Talk to us!

If you have any questions,  
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