

What does compliance mean?

'Compliance' means compliance with laws, particularly employment and tax law.

But laws can be interpreted in **different ways**.

This can give Legal and Compliance teams in agencies **huge headaches**.

Compliant service providers consult with **tax advisers, lawyers and HMRC** to keep up with changes in legislation or HMRC's interpretation of existing legislation.



Why should my agency be concerned about service provider compliance?



Financial risk

There is a risk of debt transfer under MSC regulations. HMRC can pursue agencies for unpaid tax.



Reputational risk

Using a non-compliant provider can damage the reputation of your agency.



Clients

Some clients request proof that contractors are paying the right amount of tax.



Culture

If you are trying to do the right thing for contractors, work with suppliers who take the same approach.



Company value

You could devalue your agency's worth to a potential investor or purchaser if you make compliance related mistakes.



Personal responsibility

Company directors are responsible for determining the risks the business is willing to take.

How do I determine a service provider's compliance?

