



recruitment a complete legal service

VAT mitigation for staffing services

Financial services companies, charities, many parts of the public sector, educational institutions and health/care operators are usually unable to recover most of the VAT charged to them by suppliers of staffing services. Undoubtedly suppliers who are able to supply without charging VAT are more attractive to their end user clients in these sectors.

how to choose the best VAT models and avoid pitfalls

Choosing the right VAT solution requires an understanding of a number of inter-dependent issues, including VAT, IR35, PAYE and National Insurance contributions legislation, employment law, immigration law, recruitment law, money laundering compliance and revenue recognition rules.

- What VAT mitigation models are currently used?
- Is the 'Reed' or 'agency' model of VAT mitigation still available after the withdrawal of HMRC concessions on 1 April 2009? How does it work?
- What impact does Care Standards legislation have on the use of VAT exemptions in the health/care sector?
- How does recruitment law affect VAT mitigation models?
- What new VAT mitigation models will be available after 1 April 2009?
- Are 'employed' models of VAT mitigation workable? Can they be combined with other tax planning relating to travel expenses? Do they lead to employment risk and how can that be minimised?
- How do VAT mitigation models affect IR35 tax issues?

- What contract amendments are required to implement VAT mitigation measures?

We advise suppliers and end users on all aspects of VAT mitigation, using structures which work commercially and which minimise the potential for employment and income tax problems.

what types of organisation do we assist?

We act for organisations across a range of different sectors. We have advised a number of international banks and insurance companies, charities and health/care providers and represent many of the leading recruitment companies in the UK.

industry standing

Our market leading status is reflected by the range of trade associations and industry bodies who look to us for advice, such as the HR Outsourcing Association, the Chartered Institute of Purchasing and Supply (CIPS), the British Bankers Association, the Association of Professional Staffing Companies and Intellect. We are also panel members of the Recruitment and Employment Confederation (REC) and are regularly involved in consultations with the European Commission, HM Treasury, HMRC and BERR about new legislation in this area. Our advice on temps and contractors has been adopted by the Office of Government Commerce.

our service approach

We work hard to develop close relationships with our clients so that we understand their individual business operations and specific needs and deliver tailored solutions promptly and within budget.

the natural choice in law



Blake
Lapthorn

tailoring our services for you

Our Recruitment sector group comprises an integrated group of lawyers with a range of complementary legal experience relating to recruitment and resourcing, including expertise in outsourcing, recruitment, litigation, corporate finance and mergers and acquisitions, tax, property, employment and commercial work.

Solutions for all involved in the recruitment process and the world of agency and contract workers

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