



# HOUSE OF LORDS

## SELECT COMMITTEE ON PERSONAL SERVICE COMPANIES

### CALL FOR EVIDENCE

#### INQUIRY INTO THE USE OF PERSONAL SERVICE COMPANIES AND THE CONSEQUENCES FOR TAX COLLECTION

A Select Committee of the House of Lords, chaired by Baroness Noakes, is conducting an inquiry into the use of Personal Service Companies in the public and private sectors. The Committee seeks evidence from anyone with an interest.

Written evidence is sought by **Tuesday 31 December 2013**. Public hearings of oral evidence will be held from November 2013 to January 2014. The Committee aims to report to the House, with recommendations and conclusions, in March 2014. The report will receive a response from the Government, and may be debated in the House.

The Committee is undertaking a review of the use of Personal Service Companies. It intends to consider the implications for tax, National Insurance and wider issues both from the point of view of workers and their clients.

---

The Committee seeks evidence on any aspect of this topic, particularly on the following questions:

1. To what extent are Personal Service Companies being used for the provision of personal services to UK businesses?
2. What is your view of the effectiveness and efficiency of the intermediaries legislation, first introduced in 2000, in facilitating tax collection?
3. Should the current intermediaries legislation be reformed and if so, what would be the alternatives?
4. To what extent does the current IR35 legislation impose additional compliance burdens and administrative costs?
5. Are the current avenues of consultation on IR35 working and what more should be done to ensure that the Government listens to interested stakeholders?
6. Are HMRC's recent efforts in improving the administration of IR35 judgement cases working? Is more guidance and advice needed to aid individuals in judging the status of business transactions for themselves or should further resources be given to HMRC for compliance efforts?
7. Do businesses insist on the use of Personal Service Companies? If so, should responsibility be placed on them rather than the worker to decide whether a business transaction falls within IR35?
8. Are individuals forced into the use of a Personal Service Company as a prerequisite for being considered for work? If so, what can be done to ensure that the use of a Personal Service Company is appropriate for the individual?

9. To what extent are Personal Service Companies still used in the Public Sector? Should those engaged in public bodies and similar organisations be prevented from working through a Personal Service Company? If so, would the Public Sector experience difficulties in obtaining the skills and expertise that are needed?
10. What role do Umbrella companies play? To what extent are agencies encouraging individuals to enter into such structures?
11. Aside from the issues of Tax and National Insurance, what are the wider benefits and drawbacks for the individual of using a Personal Service Company?

You need not address all these questions

## GUIDANCE FOR THOSE SUBMITTING WRITTEN EVIDENCE

Evidence should be submitted in an editable electronic form as a Microsoft Word document by e-mail to [milnerp@parliament.uk](mailto:milnerp@parliament.uk). Please do not submit PDFs. A signed, hard copy should also be sent by post.

If you do not have access to Microsoft Word or to the internet you may submit a paper copy to Patrick Milner, Committee Office, House of Lords, London SW1A 0PW, fax 020 7219 4931. The deadline for written evidence is **Tuesday 31 December 2013**.

Short submissions are preferred. A submission longer than six pages should include a one-page summary.

Evidence sent in paper form must be clearly printed or typed on single sides of A4 paper, unstapled.

Paragraphs should be numbered. Evidence should be dated, with a note of the author's name and status, and of whether the evidence is submitted on an individual or corporate basis. All submissions will be acknowledged promptly.

Evidence becomes the property of the Committee, and may be published by the Committee at any stage. Once you have received acknowledgement that the evidence has been received, you may publicise or publish your evidence yourself, but in doing so you must indicate that it was prepared for the Committee. Parliamentary privilege will not apply to your own publication.

Personal contact details supplied to the Committee will be removed from evidence before publication. However, personal contact details will be retained by the Committee Office and used for specific purposes relating to the Committee's work, for instance to seek additional information or to send copies of the Committee's report.

Written evidence will normally be published online and deposited in the Parliamentary Archives.

Persons who submit written evidence, and others, may be invited to give oral evidence. Oral evidence is usually given in public at Westminster, broadcast in audio and often video format on the internet, and transcripts are published online. Persons invited to give oral evidence will be notified separately of the procedure to be followed and the topics likely to be discussed.

Substantive communications to the Committee about the inquiry should be addressed through the clerk or the Chairman of the Committee, whether or not they are intended to constitute formal evidence to the Committee.

This is a public call for evidence. Please bring it to the attention of other groups and individuals who may not have received a copy direct.

You may follow the progress of the inquiry at [www.parliament.uk/personal-service-companies](http://www.parliament.uk/personal-service-companies)

House of Lords  
November 2013