

**SMALL BUSINESS CONFIRMATION REQUEST**  
**Chapter 8 & 10 ITEPA 2003 (IR35)**  
**Duty for the client to confirm its size upon request**

**Formal request for confirmation**

This is a formal request to establish what size of company you are in accordance with the off payroll working rules in Chapter 8 & Chapter 10, Part 2, ITEPA 2003. Also, whether you are a 'wholly overseas' company [see notes on page 2].

You have 45 days to respond to this request from the date that the request is received. For business efficacy it is highly recommended that you return the form immediately or at least within 7 working days.

<b>Date of Request:</b>	
<b>Client name:</b>	
<b>Company:</b>	Small (delete as appropriate)
	Medium / Large (delete as appropriate)
	Wholly overseas (delete as appropriate)

I certify that the information I have provided is correct and that I will inform the relevant parties in the event that the company moves from small to medium or medium back to small.

Signed for and on behalf of:  
[Insert Company Name]

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

## Notes

### Qualifying as a small company

The off-payroll reforms apply only to medium and large sized companies in the private sector who are the 'client'. This does not apply to the size of the agency. If the client qualifies as 'small' then the reforms in Chapter 10 will not apply and instead the rules in Chapter 8, will remain. It will then be for the Personal Service Company (PSC) to continue to assess their status.

### Companies Act definition of "qualifying as small"

As a general guide, the qualifying conditions are met by a company in a year in which it satisfies two or more of the following requirements:

1. Annual Turnover            Not more than £10.2 million
2. Balance sheet total        Not more than £5.1 million
3. Number of employees      Not more than 50

**Note:** It is important also, when considering the size of the company, to look at any group companies, including joint ventures and connected persons. If in doubt, follow HMRC guidance or ask you accountant or auditor.

### Employees

According to s.382 Companies Act 2006, the number of employees means the average number of persons employed under a contract of service [akin to a contract of employment] by the company in the year. This does not include the self-employed or PSCs but, it does includes part-time and fixed term employees. A director or partner may or may not be employed, it depends on whether they have a contract of employment or not.

### Wholly overseas clients

Wholly overseas clients are excluded from the off-payroll working rules. In this scenario the engagement would be not be within the scope of Chapter 10. The PSC must consider whether Chapter 8, Part 2, ITEPA 2003 applies.

A client is based wholly outside the UK if it does not have a UK connection in the form of being UK resident or having a permanent establishment.