

Government confirms private sector IR35 rules will be introduced in April

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As we reported in our [Tax Talks blog](#) of 8 January, the Government has carried out a review of the implementation of the changes to the private sector IR35 rules. This review has now completed with the Government confirming on 27 February that the extension of the IR35 rules to the private sector will take effect from 6 April. The Government has also published further material to aid implementation of the new rules including confirmation that:

- in the first year of its implementation (tax year 2020–2021), HMRC will take a “light touch approach” to penalties, meaning that penalties will not be imposed for inaccuracies (unless there is deliberate non-compliance);
- reaffirmation that it information resulting from the changes will not be used to open enquiries for tax years prior to 6 April 2020 (unless it suspects fraud or criminal behaviour); and
- the draft legislation will be amended to (a) place a legal obligation on the end user client to respond to requests from the worker or agency about the client’s size, (b) exclude wholly overseas organisations with no presence in the UK from having to consider the rules and (c) clarify time limits for bringing a disagreement under the client-led status disagreement process. If you are not sure how these new rules might affect your business or what you need to do to prepare for them you should contact an adviser for help.
- HMRC has also published [additional material](#) to aid private sector compliance with the rules and it will continue to update its guidance accordingly.

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