

SHORT TERM BUSINESS VISITORS (STBVs)

HMRC's approach to Short Term Business Visitors has changed

- Does your organisation have internationally mobile employees?
- Do these employees visit the UK to work?
- Did you know that if you are not adhering to the UK's new withholding and reporting obligations for short term business visitors you could be exposed to penalties and charges imposed by HMRC?
- Are you aware of the issues and potential risks involved?



The issues

- UK resident employers have a Pay As You Earn (PAYE) tax obligation for any short term business visitors (including employees of an overseas subsidiary, parent or other group company or organisation who work temporarily in the UK).
- Employers with short term business visitors have a choice; operate PAYE tax withholding on any such visitors or enter into a short term business visitor agreement with HMRC.
- A short term business visitor agreement grants the employer a dispensation not to operate PAYE for visitors who qualify for exemption from UK tax under a double tax treaty.
- As part of the short term business visitor agreement the employer agrees to track individuals visiting the UK and make an annual declaration to HMRC by 31 May following the end of the UK tax year.
- Treaty exemption under a double tax treaty will no longer be accepted by HMRC as a reasonable defence by employers for the non-operation of PAYE for short term business visitors.

Who are Short Term Business Visitors?

- Short term assignees
- Business travellers
- Project workers
- Commuters

If your organisation has visitors to the UK who fall under any of the above categories (even if the time spent working in the UK is as little as 1 day), the issue of short term business visitors is relevant and advice should be sought.

What are the risks?

- HMRC have a dedicated team in place to deal with short term business visitors and are scrutinising organisations with international workforces.
- If your organisation have short term business visitors and you do not have a short term business visitor agreement in place HMRC expect you to track these visitors and withhold PAYE accordingly. Where PAYE is not operated appropriately the company are liable for PAYE, and potential interest and penalties.
- Failure to adhere to the new rules or lack of knowledge regarding the withholding and reporting obligations could result in HMRC enquiring into earlier years.

How can Everfair Tax help?

- We can help you understand the issues in more detail and advise if short term business visitors are relevant to your business and recommend any relevant action to consider and act upon.
- We can analyse any risks and advise on the implementation and effectiveness of your tracking systems and processes.
- We can help you determine the appropriateness of a short term business visitor agreement or discuss and help you implement an alternative declaration and PAYE payment process.
- We can assist you with the implementation of a short term business visitor agreement and liaise with HMRC on your behalf to obtain this.
- We can prepare year end reports and make any relevant declarations to HMRC on your behalf.

Contact Richard Wilcox on 01932 428536 or Gillian Everall on 01932 428522 to find out more.

The above is a general overview of short term business visitors, the interaction with UK PAYE legislation and double tax treaties and the potential action by HMRC. It is a complex area and there may be specific circumstances not covered above which could result in different treatment being applicable. If you have not yet addressed the issue of short term business visitors you should do so now and Everfair Tax will be pleased to help navigate you through the process.