

# IR35 Reform in the Private Sector and what this could mean to you

Here at Black Diamond we have helped our clients transition through many changes to legislation over the past decade and most recently managed the Public-Sector Legislation with little or no impact to our client's day to day business needs.

Many saw the public sector as a trial for the private sector, and HMRC is obviously adamant that public sector reform has been a success, with a supposed 90,000 extra contractors working under IR35 since April 6th. But without details on how these contractors were assessed, this figure doesn't necessarily indicate an increase in compliance.

It was even a topic of focus on BBC's Question Time recently, when a speaker on the panel pointed to failings in the attempt to change the off-payroll working rules.

It's almost a given that IR35 reform will soon reach the private sector. And unsurprisingly, the contracting community is waiting to see firstly if changes will be announced in Wednesday's Budget, and secondly, how the government plans to enforce such measures.

Just this month, The Treasury's Mel Stride dropped another hint that private sector reform is on the cards. He declared it "an issue of fairness" perhaps the biggest indication yet that the government is gearing up for an announcement.

The Budget on Wednesday November 22nd presents the perfect opportunity to shed light on the situation. Quite simply, the more time contractors, private sector organisations and agencies are given to prepare, the better. If the government intends to extend reform then we want to hear about it sooner rather than later.

While new changes would be in no way helpful to the contractor market, contrary to speculation. Much like recent reform, further changes can in fact be managed and it would not mark the beginning of the end.

If and when private sector reform is introduced, HMRC has to approach it in a more structured way. IR35 is complex. The government cannot expect private sector companies and agencies to suddenly become experts in the subject overnight.

The many layers of IR35 legislation mean that knowledge and expertise is required when it comes to making well-informed decisions on how to best tackle any changes to legislation, if and when private sector reform is introduced.

To find out more on how this potential legislation change could impact on your business please do feel free to drop us a call.

Kind Regards

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