



HMRC consulting on extending the application of the Short Term Business Visitor Agreement

For a number of years now, companies have been able to put a business visitor agreement in place with HMRC to ease the strict PAYE regulations for overseas employees coming to work in the UK. This covers those employees that would ultimately be exempt from UK tax under a double tax treaty, including employees of overseas subsidiaries but not those employed by an overseas branch of a UK company.

Over recent years there have been various representations to the Treasury, particularly on behalf of the Financial service sector, of the challenges to businesses with business visitors from overseas branches. The government is now looking to simplify the tax and administrative treatment of visitors from overseas branches and this is currently being consulted on by HMRC until 6 August 2018. Two broad options have been proposed:

1. Extending the availability of the annual PAYE scheme to those coming to work for up to 60 days in a tax year.
2. Implementing a new exemption under the business visitor arrangements such that branch employees would be treated in a similar fashion to employees of overseas subsidiaries.

Practical Points

It is welcome news that the UK government and HMRC is looking at ways to simplify the tax and administrative burden for overseas branch employees. This should encourage further inward travel and investment to the UK, especially with the backdrop of Brexit to consider and the ever increasing scrutiny on international businesses to ensure they are compliant.

If you require any assistance in relation to the tax and social security considerations for your business travellers, both to the UK and elsewhere, please contact Andy Kelly of BDO LLP on +44(0)20 7893 2444 or andrew.kelly@bdo.co.uk.