

Trade association welcomes focus on umbrella due diligence, but warns more needs to be done

Submitted by: BlueSky Public Relations Ltd

Thursday, 18 April 2024

Responding to today's announcement that the government is looking into a statutory due diligence scheme for umbrella company use, the Association of Professional Staffing Companies has welcomed the push for greater compliance, but warns the problem is complex, making further action necessary.

As Tania Bowers, Global Public Policy Director at APSCo, explained, clear definitions and licencing of the umbrella sector are needed:

"It's unfortunate that the minority of firms that are offering non-compliant umbrella solutions are creating headaches like this for policy makers and those firms that offer legitimate solutions to workers and businesses alike. We certainly welcome the news that HMRC is pushing ahead with a focus on due diligence to clampdown on unscrupulous behaviour, however the problem is multi-faceted and isn't simple to resolve.

"As we highlighted in our initial consultation response, the definition of umbrella companies needs more clarity and should also allow for marketplace evolution. The announcement today doesn't, in our view, address this.

"While we expect that umbrella compliance will be an on-going mantra for HMRC and regulation will evolve as a result, APSCo remains steadfast in its view that any proposals should not place more liability or obligations on recruiters.

"There are no barriers to entry to the umbrella market, which means that setting up a corporate entity and launching an umbrella company can be done in a matter of days. We believe that a licencing or registration process is required with EAS or another body, in recognition that financial wrongdoing is the largest risk to workers and the supply chain. Further, industry self-regulation should be replaced with statutory compliance codes for the umbrella sector itself.

"APSCo members do overall support enshrining due diligence in regulation as a first step as this will immediately lead to a more level playing field. However, they don't think it's the most effective

route to stop tax non-compliance.”

Press contact

Vickie Collinge

vickie@bluesky-pr.com

01582 790 705

About APSCo

The Association of Professional Staffing Companies (APSCo) is the trade association for the professional recruitment market. APSCo Global comprises APSCo Asia, APSCo Australia, APSCo Deutschland and APSCo United Kingdom as well as APSCo OutSource, the trade body for the RPO and MSP sectors.

Find out more: www.apscouk.org www.apscouk.org