

IR35

SMALL BUSINESS EXEMPTION CRITERIA



Are all businesses affected by the new rules?

The draft legislation refers to 'small' businesses, which has been confirmed as following the definition set out in the Companies Act 2006 as any business satisfying at least two of the following three criteria:

- Fewer than 50 employees
- Annual turnover less than £10.2 million
- Net assets less than £5.1 million
- Small businesses meeting this definition fall outside the scope of the proposed new rules, and may continue to operate under current IR35 rules

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