



**Recruiters Short Guide to
Managed Service Company (MSC)
Legislation and Transfer of Debt
2007**

**Accountants
Experts for Experts**



Recruiters Short Guide to Managed Service Company (MSC) Legislation and Transfer of Debt 2007

Why and when was the Managed Service Company (MSC) legislation introduced?

The Managed Service Company (MSC) legislation was introduced in April 2007 in the Finance Act 2007. Originally the draft announced in the Pre-Budget in 2006 was due to outlaw the use of composite companies. However, the MSC legislation has quickly been used to enhance and strengthen the existing IR35 legislation, as well as transferring the contractors debt to HM Revenue & Customs (HMRC) to recruitment agencies.

Does this affect agencies?

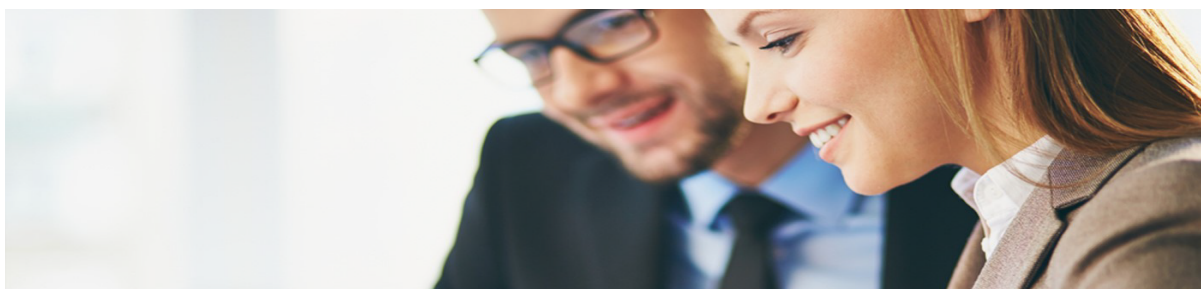
Yes – if your contractors work through an MSC, there could be some financial risks applied to your agency and you could be responsible for paying their tax bill.

No – if your contractors work through their own limited company and use an audited MSCP compliant accountancy specialist such as Churchill Knight & Associates Ltd.

The MSC legislation can have a direct impact on agencies and contractors, due to the transfer of 3rd party debt legislation. This legislation can make any 3rd party, including your business and even your end client, liable for any unpaid debts that have arisen through non-payment of income tax and NICs by your contractor if they have worked via a non-MSC compliant service provider.

To enforce the debt transfer rules, your agency or even your client must be actively involved using contractors working via managed service companies, which include promoting managed service company schemes.

For more information, please consult our 'Recruiters Guide to Managed Service Company (MSC) Legislation and Transfer of Debt 2007'. Contact us on 0808 2525533 or agency@churchill-knight.co.uk to request your guide.





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How can Churchill Knight & Associates Ltd be of assistance?

You should appreciate that Churchill Knight has been audited by Professional Passport which is an independent organisation having processes to verify whether accountancy service providers are working within the MSC legislation. As a member audited and approved by Professional Passport, Churchill Knight was also qualified to join APSCo and TEAM. As an approved supplier, introducing your candidates to Churchill Knight would potentially protect your agency from falling foul of the MSC legislation.

We are experts in our industry and can make you aware of the latest changes to legislation, and help you eliminate any risk working with contractors in both the public and private sectors. Please contact our dedicated consultants today for more information on the many benefits of referring your candidates to Churchill Knight.

☎ **0808 2525533**

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🌐 **www.churchill-knight.co.uk**



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The Recruiters Guide Series

Churchill Knight has a series of guides that have been created exclusively for recruitment agencies. Please contact us to request your guides.

- 1) Recruiters Guide to IR35 Legislation 2000
- 2) **Recruiters Short Guide to Managed Service Company (MSC) Legislation and Transfer of Debt 2007**
- 3) Recruiters Guide to Managed Service Company (MSC) Legislation and Transfer of Debt 2007
- 4) Recruiters Guide to Managed Service Company (MSC) Legislation and Churchill Knight & Associates Ltd 2007
- 5) Recruiters Guide to Senior Accounting Officer (SAO) Duties Legislation 2009
- 6) Recruiters Short Guide to the Agency Workers Regulations (AWR) 2011
- 7) Recruiters Guide to the Agency Workers Regulations (AWR) 2011
- 8) Recruiters Short Guide to Offshore Intermediaries Legislation 2014
- 9) Recruiters Short Guide to Employment Intermediaries and Reporting Requirements Legislation 2014
- 10) Recruiters Guide to Employment Intermediaries and Reporting Requirements Legislation 2014
- 11) Recruiters Guide to 'False Employment' Legislation and the Targeted Anti Avoidance Rule (TAAR) 2014
- 12) Recruiters Guide to Travel & Subsistence (T&S) Legislation 2016
- 13) Recruiters Guide to the 2016 Autumn Statement
- 14) Recruiters Guide to the Apprenticeship Levy 2017
- 15) Recruiters Guide to Off-Payroll Changes in the Public Sector 2017
- 16) Recruiters Guide to the Spring Budget 2017

The Service Guide Series

- 1) Recruiters Guide to the benefits of referring your candidates to Churchill Knight & Associates Ltd
- 2) Recruiters Guide to Churchill Knight Umbrella
- 3) Recruiters Guide to Churchill Knight & Associates Ltd Accountancy Packages

If you would like to request your guides, or have any questions, please get in contact with Churchill Knight.

📞 0808 2525533

@ agency@churchill-knight.co.uk

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Accountants
Experts for Experts

"Excellent customer service, quick responses, easy to get hold of, and contractors are happy. What more do we need?"

Miz Rahman

"I have absolute trust in their honest and consultative approach, the result of which has further enhanced my credibility with some of my key candidates and clients."

Param Virdee

Call us now on: **0808 2525533**

Email us now at: **agency@churchill-knight.co.uk**



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