

operates a best practice code of
Accredited Members
supported by the highest level of professional
partnership are required to comply with the following Code of
(FCSA Code of Compliance') and to provide the necessary
as providing certain additional general information. The declaration
will be subject to testing in certain cases by our assessors as part of
process, as outlined below. Appointed assessors will undertake their review and
findings to the FCSA CEO.
FCSA will consider this, together with other publicly available data, before deciding on the
merits of any application. All applicants and renewing members are required to complete a Fit &
Proper Person Form to assist in determining the reputation of individuals that control the
applicant/member business. In its reasonable opinion, FCSA reserves the right to reject an
application or a member on the basis of potential reputational damage to FCSA, perceived or
otherwise, due to the background or behaviour of an applicant business, an individual associated
with that business or a current member.
For more information on the different operating models covered by this code and the types of
services offered by FCSA Accredited Members, please refer to the FCSA website.

Appointed Assessors

FCSA has a selection of appointed assessors who are authorised to review compliance with the
FCSA Code of Compliance. The assessors are partnerships between firms with the ability to
provide the necessary financial and legal expertise to review the con
are:

FCSA Code of Compliance

Mandatory Questions For All Applicants

FCSA is dedicated to raising standards and promoting supply chain compliance for the temporary labour market. A key way we do that is to publish our Charter and Codes. We do this so that all industry stakeholders and, importantly, all the workers who use our Members' services can be assured that FCSA Members are fully compliant with the laws and regulations surrounding employment rights, personal taxation and corporate compliance with the off-payroll rules. All FCSA Members undertake to abide by our Charter and Codes as a condition of their membership and are contractually obliged to maintain these high standards throughout their membership.

Our Codes, which sometimes go above and beyond what is lawfully required, are formulated by FCSA working closely with independent experts in these areas and changes are reviewed prior to publication by a wide variety of industry stakeholders and official bodies. The Codes cover complex issues and that is why they are constantly under review and are updated as often as is required to keep them relevant and reflective of not only the regulations but also industry best practice. We believe our Codes set the highest standards of compliance and are industry-leading in their comprehensive scope. Members are assessed against FCSA's Codes not by in-house staff or inexperienced evaluators but by a panel of fully independent and nationally renowned professional services firms, lawyers and accountants, with an authoritative level of expertise in these specialist areas. This assessment for FCSA accreditation is rigorous and stringent and, as a result, it is recognised as the industry's compliance gold standard.

I'd like to thank you for taking the time to read our Charter and Codes.



Chris Bryce

Chief Executive
Freelancer & Contractor Services Association Ltd

SECTION A

FCSA members are required to meet the highest standards of integrity and compliance. This section of our Codes provides the basis of these standards.



Chris Bryce
Chief Executive, FCSA

SECTION A: GENERAL

A1.

- a. Confirm the application or membership renewal is to cover all relevant operations within the group. All relevant operations must be seeking or renewing FCSA accreditation, even if they are separate companies and/or branded separately. Additionally, if you advertise any operations for umbrella employment, self-employed model and/or limited company advisory where you are not seeking or renewing FCSA accreditation, please clarify why FCSA accreditation is not being sought.
- b. Confirm if you pay any individuals/contractors/payees through any other legal entities (within common ownership and/or directorship of the applicant member) - if so, please confirm what those models are (including but not limited to, payroll bureaux, international, gross payment, fee payer, direct to end client).

A2.

Do all relevant operations for a new membership application have a minimum trading history of 2 years in the areas to be assessed and which are supported by statutory and independently audited accounts with a minimum of 1 year in that area? Note: Independent means not connected via common ownership or directorship to the accredited business.

A3.

If an established FCSA member seeks to introduce a new business area that is covered within FCSA accreditation and assessment, the new business area must be put forward for assessment as soon as it reaches either a minimum of 50 contractors or a minimum of 2 years establishment. However, if you require this to be set up as new legal entity, an application for a new membership will be required. Please confirm whether any new business within the scope of FCSA accreditation is likely to require assessment within the next 12 months?

FCSA require you to confirm that you will not use the FCSA accreditation logos on any service (and/or legal entity) that has not been accredited.

A4.

Do your relevant operations currently support a minimum contractor population of 75 per assessment area?

A5.

- a. Have any of your directors ever been disqualified from acting as a director?
- b. Is anyone involved in the management of the company currently disqualified from acting as a director?
- c. Directors of the legal entities seeking accreditation or re-accreditation are required to complete FCSA's Fit & Proper Persons form. Have these been completed?
- d. The fit and proper form will be completed annually on accreditation review as well as on initial application, and will include confirmation from the directors that the company is up to date with HMRC in respect of all liabilities, or if in arrears, has reached agreement with HMRC or has taken advantage of specific Covid 19 concessions (which should be identified in the declaration)
- e. Have the Directors of the legal entities seeking accreditation changed in the last 2 years?

FCSA require confirmation that all directors, and legal entities requiring accreditation listed in question A1 above are domiciled/registered in the UK as per companies' house. If not, please attach details of their domicile/registration.

If yes to e) FCSA require reasoning.

Everyone applicable should complete FCSA's Fit & Proper Persons form and submit it to FCSA.

A6.

Have your latest statutory and independently audited accounts been filed at Companies House within 9 months of the year end? If not, please explain (Additional narrative can be set out at section F1 if needed).

FCSA require your latest filed audited statutory accounts.

A7.

- a. Have your accounts been prepared on a 'going concern' basis?
- b. At the time of application is this statement still true?
- c. Do your most recent accounts have an unqualified audit opinion? If a qualified opinion raises any concerns, the FCSA acting reasonably reserves the right to refuse Membership.
- d. Are there any matters of emphasis/references to any areas for consideration (this is required at the trading company level and at all group company levels)? FCSA will consider these matters and they may result in refusal of membership.

FCSA require your latest filed audited accounts with full detailed profit and loss account (not abridged) and your latest Corporation Tax return, all as supplied to HMRC, and provide cross referencing to where 'going concern' stated. If 'going concern' is not specifically stated, FCSA require supporting reasoning.

A8.

Confirm all group companies' operating activities covered by this code are based in the UK and the significant majority (75%) of your services are undertaken in the UK.

FCSA require you to attach a copy of your group trading structure detailing the name, Companies House number, location(s), principal trading activity, directors and shareholders of each company.

If you have any Associate businesses providing advice and/or employment to workers within the recruitment sector outside your group structure, FCSA require these businesses to be included in your response. Associate businesses should include:

- a. Companies;
- b. General partnerships;
- c. LLPs;
- d. Trusts; and
- e. Individuals carrying on business on their own account;
- f. Persons acting in concert
- g. Businesses that are owned or managed by your directors or shareholders and provide services covered by this code.

Please include overseas businesses.

A9.

Provide details and shareholders of the company who receive fee income from limited company customers if not included above and provide details of their relationship with the above companies **(Limited company advisors only)**.

FCSA require supporting evidence for the above.

A10.

Are all your employees (including umbrella employees) who are working in the UK paid in the UK under current PAYE/NIC legislation?

A11.

- a.** Confirm the Applicant / Member company or any associated company linked via Directors (who have been required to complete FCSA Fit & Proper Person forms) does not operate any of the following models:
Hybrid;
Loan Scheme;
MSC;
Pay day by Pay day;
Mini Umbrella (MUC);
Elected deduction model (EDM);
or any artificial constructs which seek to evade or avoid UK taxation regulations or UK employment rights including the payment of National Minimum Wage, such constructs include but are not limited to Employee Benefit Trusts, Loan Schemes, Hybrid models, offshore employment, flag of convenience arrangements, disguised remuneration schemes of any type or such other avoidance schemes as may from time-to-time be identified and named by FCSA or relevant UK authorities such as HMRC, DBT, DWP, or HMT?
- b.** Confirm and warrant that, within the last three years, none of the company officers have been involved in a 'phoenix company' i.e. they have not liquidated, dissolved or otherwise ceased the operation of a company only to resurrect the services provided by and operations of that company in another company. If you cannot confirm, please explain the circumstances around liquidation, dissolution or cessation of operation of any previous companies.
- c.** Confirm and warrant that none of the company officers have been listed/associated with any of the companies named on the Tax Avoidance list published by HMRC.

A12.

Does the Applicant / Member company or any associated company linked via Directors (who have been required to complete FCSA Fit & Proper Person forms) operate a joint employment model?

If so, please provide a detailed explanation of the company and model to FCSA. FCSA do not support the operation of joint employment models where any of the responsibilities of employing the individual are shared/divided/allocated to another entity. FCSA reserves the right to ask any member to cease the operation of these models within a reasonable time period.

A13.

- a.** Has the Applicant / Member company been subject to a notification of enquiry/investigation in the preceding 12-month period or is such an enquiry/investigation currently underway or on hold in relation to tax compliance? This includes but is not limited to notices of Full Enquiry or Aspect Enquiry.
- b.** If yes to a) above, please provide a narrative.
- c.** Confirm you agree that the Applicant/Member company will undertake to notify FCSA within 3 business days should you be served with a notification of enquiry/investigation.
- d.** Confirm that you have never had a complaint upheld by the GLAA or The Pensions Regulator?
- e.** Confirm that you have no beneficial owners and/or officers of the applicant company(s) who have been subject to removal from an industry body or regulators (including, but not limited to, the Law Society, FCA, ACCA).

A14.

Confirm the legal entity seeking accreditation has evidence that the latest filed accounts are audited and pass the financial test; Net Assets to be at least 2.5% of the Gross Profit. Where the appropriate trading company accounts do not pass this financial standard, FCSA may at its sole discretion take into account any parent company audited accounts where applicable, alongside a written guarantee.

The Financial test to be clarified as Balance Sheet total requiring to be at least 2.5% of gross profit shown in the latest company accounts filed at Companies House and with HMRC, defined as Turnover less cost of sales (excluding any insurances and bank charges included in cost of sales). For the avoidance of doubt and consistency, this should equate to invoiced sales less 1. payments to workers 2.any related tax, pensions and other statutory payments 3. any bad debts and 4. business to business rebates/timesheet management fees.

FCSA require you to provide a manual reconciliation (calculation) evidencing the above with cross referencing to the latest audited accounts filed at Companies House and HMRC as applicable.

Please note that the review will not continue until the reconciliation has been provided.

A15.

Does your company pay incentives/gifts to individuals?

If so:

- a. Are these all covered by an HMRC Taxed Awards Scheme for both PAYE and NIC's (if applicable, provide supporting evidence)?
- b. Are any incentives/gifts paid in cash?
- c. Are any paid on prepaid debit/credit cards/vouchers?
- d. Are the directors (or similar) of the receiving business aware of the incentives being provided?
- e. Confirm that all expenses for sales staff are receipted.

FCSA require a copy of your TAS if applicable, and if yes to c) evidence of tax and NIC being pre-paid.

FCSA also require supporting evidence (anonymised emails, etc.) of directors, or similar, of the receiving business being aware of any incentives being provided.

A16.

Do you offer a self-employed solution?

If so, do you also offer an umbrella model solution to the worker as an alternative at the take on stage (subject to status)?

A17.

For umbrella and self-employed/CIS solution providers, confirm the following:

- a. Your employees / self-employed CIS contractors have the option to remain within or opt out of the Conduct of Employment Agencies and Employment Businesses Regulations 2003;

Note: Employees working with vulnerable persons are not eligible to opt out of the Conduct of Employment Agencies and Employment Businesses Regulations 2003

- b. That upon opting out of the Conduct of Employment Agencies and Employment Businesses Regulations 2003 your employees / self-employed contractors have the option to opt back in to the Regs;

- c. That you clearly and prominently inform the worker of their right to remain within or opt out (if applicable) of the conduct regulations.
- d. confirm and retain evidence that the contractor has agreed to opt-out prior to any opt-out notice being signed and returned to the agency
- e. Where the employee/self-employed contractor does not opt out of the Conduct of Employment Agencies and Employment Businesses Regulations 2003 or was previously opted out and decides to opt in, you have a process to inform the agency of the employee's Conduct of Employment Agencies and Employment Businesses Regulations 2003 status under the Regs.

Note: Where the terms of business between the Umbrella and the agency determine that the agency stipulates that workers will ordinarily have opted out of the conduct regulations, it is sufficient to have a process whereby the agency can assume that the worker has opted out under a standard contract unless you notify them to the contrary.

FCSA require supporting evidence for each of the above and details of the procedures you have in place if an employee notifies you that they wish to withdraw an opt-out notice. FCSA require cross-referencing to where this is covered.

A18.

Where the obligations of the UK Modern Slavery Act 2015 apply to you, please confirm you have made a statement as required on your website.

FCSA require a copy of your website statement or a link to where it can be found plus a copy of any UK Modern Slavery Act policy you have introduced. If deemed not applicable, you will be required to provide reasoning.

A19.

Where applicable, does your company operate in accordance with Gender Pay Gap Reporting obligations?

FCSA require supporting evidence of what actions you have undertaken in respect of Gender Pay Gap Reporting and provide a copy and/or link to where reporting has been made on your website. If deemed not applicable, you will be required to provide reasoning.

A20.

Confirm that your PAYE reference and HMRC office accounts are both registered to the legal entities seeking accreditation.

If not, your business model will be subject to further FCSA review. FCSA reserves the right to require any member to cease the operation of such a model within a reasonable timeframe. If the model is approved by FCSA you will be required to take additional steps and sign additional undertakings to achieve FCSA accreditation.

FCSA require evidence of the above codes.

If they are registered against a different company, FCSA require you to provide reasoning and evidence for the other company.

A21.

Confirm that your P32 returns are registered to the legal entities seeking accreditation.

If not, your business model will be subject to further FCSA review. FCSA reserves the right to require any member to cease the operation of such a model within a reasonable timeframe. If the model is approved by FCSA you will be required to take additional steps and sign additional undertakings to achieve FCSA accreditation.

FCSA require evidence of your P32 return.

If it is registered against a different company, FCSA require you to provide reasoning and evidence for the other company.

A22.

Confirm that you have registered with the Information Commissioner's Office.

FCSA require your ICO registration number.

A23.

In the last 12 months have you reported a data breach to the ICO?

If yes, please confirm how many incidents you have reported and how many individuals were involved.

A24.

Do you have a GLAA license?

If yes, please confirm the license number

A25.

If you provide credit terms, do you have credit insurance in place?

A26.

Has the applicant ever been found by the UK Border Agency/the Home Office (or any of their predecessors) to have been involved in the supply of illegal workers? If yes, give details.

SECTIONS B-D

Protecting a contractor's data, their identity and their ability to register a complaint/grievance with a Member is covered in the following sections. Alongside FCSA's expectations in respect of timely filings to HMRC and the requirements for validating an employee's right to work in the UK.



Deborah Murphy
Head of Operations, FCSA

SECTION B: IDENTITY AND RIGHT TO WORK IN THE UK CHECKS

B1.

Do you have a policy setting out that the worker cannot become an employee, self-employed worker or limited company customer before you verify/authorise their identity?

- a.** Do you confirm you only accept evidence of Right to Work in accordance with the current Home Office Right to Work Checklist?
- b.** Do you confirm you complete a Right To Work check for every Contractor/ Worker/ Employee?
- c.** Do you request Umbrella EU nationals to provide the Umbrella with sharing code pursuant to the EUSS from 1st July 2021?
- d.** Please provide your policy for dealing with visa requirements, conditions and rechecks.

FCSA requires a copy of policy outlined above, including a copy of your take on process in place to establish the identity of potential umbrella employees, self-employed worker or limited company customers. This should detail what documents you obtain and checks you carry out.

FCSA require you to set out how you verify/authorise the potential employee's right to work in the UK or provide a copy of your policy/procedures (Umbrella Employers only). This should detail the documents you obtain and checks you carry out to do this.

B2.

Confirm you have processes in place around compliance with DPA and the UK General Data Protection Regulation EU 2016/679

FCSA requires a copy of any Data protection agreement, GDPR policies and processes, and policies regarding Subject Access Requests.

SECTION C: COMPLAINTS/GRIEVANCE

C1.

- a.** Do you have a grievance (umbrella) and/or complaints (limited / self-employed) procedure (whichever is applicable)?
- b.** If so, is it included within or referred to in your introduction and/or engagement letter to the worker?
- c.** Do you record all formal complaints, including the investigation undertaken, the outcome of investigation, the resolution/outcome, and any resulting actions you have undertaken?

FCSA requires a copy of your policy/procedures as outlined above and cross reference where it is referred to in either your introduction and/or engagement letter. FCSA requires a copy of your complaints log.

SECTION D: HMRC

D1.

Do the umbrella employment/self-employed contractor/limited company advisory companies and their directors have any overdue tax filings or tax payments including Income Tax, Corporation Tax, National Insurance Contributions, Construction Industry Scheme or VAT?

FCSA requires evidence that all accounts are up-to-date. For example, a screenshot of HMRC accounts and VAT submissions.

SECTION E

FCSA ensure that our members are not only highly competent but also operate ethically adhering to both our Codes and employment and tax regulations.



Chris Bryce
Chief Executive, FCSA

SECTION E: ETHICS

E1.

Will you at all times operate in accordance with the FCSA Code of Compliance and FCSA Charter (as amended from time to time)?

E2.

Do any of your Group Companies or Associate Companies (whether within the scope of this code of conduct or not) create, encourage or promote tax avoidance schemes that meet the definition of a Disclosable Tax Avoidance Scheme and/or which HMRC have published as 'in the Spotlight' and are not listed on the FCSA's list of disallowed schemes/arrangements, i.e., foreign currency loan structures, as set out in the Charter, section 3.5 found at <https://fcsa.org.uk/fcsa-charter-and-codes/>

E3.

Do any of your Group Companies or Associate Companies (whether within the scope of this code of conduct or not) breach any Targeted Anti-Avoidance Rules and/or General Anti-Avoidance Rules.

E4.

Do you have policies and procedures in place to ensure that your business is able to demonstrate that it complies with Part 3 of the Criminal Finances Act 2017 (Corporate offences of failure to prevent facilitation of tax evasion)?

FCSA requires a copy of your policy and any documented procedures.

E5.

Is the umbrella employment, self-employed model and/or limited company advisory service promoted principally on the basis of it being a tax saving solution?

FCSA requires copies of ALL current promotional and/or marketing material and your website URL.

E6.

- a.** Does the umbrella employment, self-employed model and/or limited company advisory service solely promote the before tax margin (umbrella employers and self-employed) and/or fees (limited)? If the impact of the margin on take home pay is shown, it must show separately, be described as such, and not as 'net margin'.
- b.** Confirm that any bonuses derived from an Employee Ownership are not included within a KID, or illustration.
- c.** Confirm that you make no guarantee or promise regarding bonus payments derived from an Employee Ownership (For the avoidance of doubt any marketing material referring to the scheme and bonus payments made under the scheme should make it clear that such bonuses are not guaranteed and do not form part of contractors' normal remuneration from the assignment).
- d.** Confirm that there are no links between the margin or contractors gross pay in relation to any tax-free lump sum payments.

FCSA requires cross referencing to any stated margin in your marketing material and on your website.

E7.

Is the Company margin fully disclosed to potential employees and/or self-employed workers before they are engaged on an assignment and/or fees for limited company advisory services fully disclosed to potential customers before the customer takes up the services?

E8.

- a.** You warrant that you do not and will not use or facilitate the use of any offshore tax structures or arrangements, including but not limited to the use of offshore companies, offshore trusts or payments in foreign currency?
- b.** If you become aware of any clients operating offshore tax planning structures, do you consider your position as their advisor and resign when appropriate (**Limited Company advisor only**)?

E9.

FCSA require a sample of 5 payslips (per company and per pay-rolled service assessed eg. Umbrella, PEO).



integrity • independence • influence

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