

Reasonable care review for off-payroll working (IR35)

Can your organisation demonstrate reasonable care?

When considering how your business has managed its employment tax affairs in relation to off-payroll labour, HMRC expect you to have taken 'reasonable care'. Contrary to popular belief, reasonable care goes beyond an assessment of employment status. HMRC's latest guidance sets out the relevant steps your organisation should follow and evidence, with a relevant framework of processes and policies, to clearly demonstrate your organisation's business decisions.



Why is reasonable care important?

- ▶ Demonstrating to HMRC that you have taken reasonable care is critical to support that your business has effectively managed its compliance obligations, as this impacts how HMRC consider and apply compliance risk ratings and mitigates penalties in the event of any errors.



When do you need a reasonable care review?

Our Reasonable Care Review is a stand-alone service suited for organisations who believe they have complied with the off-payroll labour (IR35) rules and want to formally document that they have met their obligations.

The output is designed for board level readership, summarising whether your key stakeholders understand and can clearly articulate their responsibilities to manage the organisation's obligations and demonstrate reasonable care to HMRC and for Senior Accounting Office or tax due diligence purposes.

[Learn more about off-payroll labour](#)



For more information

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What is BDO's reasonable care review?

Developed using our expertise and experience of this area, our review involves:

- ▶ A workshop to allow you to explain current tax processes, policies and their practical application
- ▶ Preparing a report which will comment on all areas of current tax processes with a RAG analysis for each element
- ▶ Meeting your team to discuss the report and any remedial action required.

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