

SEVERAL OPTIONS TO DEVELOP YOUR ACTIVITY ABROAD

Non Stable Establishments – Only for representation purposes

1) The RFE – Representative Foreign Company

This status provides an "Employer" number in the UK without being implanted directly. Therefore, this status allows hiring staff representative to United Kingdom acting on behalf of the Parent Company and traces all necessary feedback & data to its development. The RFE cannot be responsible for the whole commercial cycle or the Parent Company may risk a tax requalification.

2) The Liaison Office / Representative Office

Since 1st October 2009, this form of representation no longer exists as such in the UK – Ref :The Overseas Companies Regulations 2009/1801.

5) **The Fiscal Representative/Agent:** Its role is to represent the Foreign Parent company for Tax & VAT issues when a stable establishment is not registered locally & when business transactions are requiring Tax & VAT to be declared locally.

Stable Establishments – English GAAP compliance

3) The Subsidiary

A British registered company whose paid up capital is partially or fully owned by the parent company (ref: How to form an SARL/Private Limited Company). Submitted to English laws & taxation, Cf Companies Act 2006.

4) The Branch called "UK Establishment":

Foreign Establishment - No paid up capital in UK. Submitted to English laws & taxation. Submit the consolidated accounts with Companies House. Cf The Overseas Companies Regulations 2009/1801.

SOLE REPRESENTATIVE

Pre-registration

Prior to any hiring, the parent company must have a UK address and a UK bank account (or a third party payer on your behalf, could be your agent, eg SEDI).

The Employer or his agent will contact then the HMRC to register as a new employer. The new employer will receive within 2 weeks via post his « Employer PAYE reference » and his « Account office reference ».

Once done, the new employee can be declared to the HMRC and will have exactly the same rights than any other British employees as long as the place of work is based in the UK :

- British employment contract
- P45/ startercheck list
- Individual registration to the National Insurance (NI Number).
- Individual Tax code
- Monthly payment to the PAYE / NI
- Reimbursements of costs as per UK rules
- Opportunity to negotiate additional corporate schemes with its employer.
- Yearly returns P35, P14, P60 to be issued by the 19th of May each year.
- P11D return concerning benefits in kind to be filed in by the 6th of July each year.

The UK employment contract is following the Employment Rights Act 1996.

For any further information, please read our recruitment form in the UK.

National Insurance number

This is the equivalent to the French Sécurité Sociale Number. This number has to be obtained as quickly as possible once a new worker arrives in the UK within maximum 2 months.

The new UK employee will have to contact the « **National Insurance number application line** » 0345 600 0643 to get an appointment.

He/she will get an interview at the local Job Centre and will have to bring his/her employment contract, as well as a proof of personal address in the UK, plus his/her passport.

Delays can be very quick -1/2 a day - but can take up to 2 weeks to get it.

Tax Code

In the UK, Income tax is deducted directly on the payroll, each month.

Each individual has its own tax code based on previous year taxable income. When arriving in the UK and having no previous records, the new employee is generally classified under an emergency tax code until he/she get an individual tax code. At the end of the year, the return called P60 provides the relevant information to the HMRC to update the individual Tax Code.

What is it ?

Inland Revenue or HMRC : Official body, managing the PAYE(Income Tax) & NI contributions, but also organise training courses, and answer questions to employers & individuals calling the helpline. www.hmrc.gov.uk

Tax Year : from 6th of April year N to 5th of April Year N+1

P35, P14, P60 : Yearly returns reporting about PAYE, NI and wages paid along the year.

PAYE : « Pay As you Earn » corresponds to the income tax deducted on the monthly payslip.

IF YOU NEED ADVICE OR ASSOCIATED SERVICES: PLEASE CONTACT US!