



APPROVED CONTRACT FACT SHEET

Introduction

PCG is delighted to be working in partnership with Practicus to offer its contractor clients a standard contract that has been reviewed and approved by tax experts and commercial lawyers.

PCG has developed the Approved Contract scheme for the benefit of PCG members, participating agencies and the wider freelance community. The aim is to facilitate the availability of standard, commercially sound, business-to-business contracts suitable for freelance businesses operating outside IR35.

Most freelance contractors and consultants prefer to work with agencies that recognise the implications of IR35, and having a standard contract that has been evaluated against IR35 will save both parties time and will provide peace of mind.

About the scheme

To sign up to the Approved Contract scheme, Affiliate member agencies are required to submit their standard contracts to PCG for review. Once any recommended changes have been agreed and implemented to PCG's satisfaction, the standard contract will be given the PCG stamp of approval and may be branded with the PCG "Contract Approved" logo.

PCG approval of a standard agency contract indicates that PCG believes that it represents an acceptable model contract, where it is used in its original form. It must also reflect the real contractual relationship between the parties and must not be contradicted by other factors.

As well as being reviewed by leading status experts from an IR35 perspective, an approved contract also undergoes a basic commercial terms review in order to ensure that no unreasonable commercial constraints are placed on the contractor.

This fact sheet should be read in conjunction with the contract given to you by Practicus, and you may wish to check that both documents bear a matching unique contract reference issued by PCG in the "Contract Approved" logo.

Benefits of Approved Contract scheme

Any PCG member engaged under a valid PCG "Contract Approved" contract may:

- Request a free individual review by Accountax Consulting if they have negotiated minor amendments of their own, or if they have a complex schedule attached.
- Purchase the ultimate IR35 Guarantee from Accountax Consulting at a preferential 20% discount. If you are challenged under IR35 whilst engaged under an Approved Contract, and Accountax fails to successfully defend your case, it will pay all the extra IR35 tax, all the extra NICs, all interest and penalties, and all of Accountax Consulting Ltd's professional fees in defending your independent status as far as the Commissioners. Prices are based on turnover, and full details are available on PCG's website at www.pcg.org.uk/acs

Benefits to non-member contractors

Freelance consultants and contractors who are not PCG members may be engaged via participating agencies under a PCG "Contract Approved" contract. This will entitle them to purchase the ultimate IR35 Guarantee from Accountax at standard prices.

Given that the discount on even the lowest IR35 Guarantee fee is £160, it will be more cost-effective to join PCG for just £120 a year.

"Having PCG validate our contract as IR35-friendly and offering it as an insurable entity helps give our contractors confidence that they are making the right decision to work through our organisation. The PCG Approved Contract is a must for any contractor, whether they're a member of PCG or not. PCG's scheme provides both the employment business and the service provider with confidence at a time of considerable change within our industry."

Boyd Kershaw, Director
Practicus

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Terms and conditions

The following terms and conditions apply for use of the PCG Contract Approved logo:

1. PCG endorsement is provided strictly as an indicator that the generic content has been judged as sound and it implies no liability on behalf of PCG for its subsequent deployment. PCG Members seeking absolute peace of mind should take advantage of the free additional review and the discounted no quibble Tax and Penalties guarantee offered by Accountax for pre-approved contracts.
2. Practicus and the contractor should satisfy themselves that the contract conditions are adequately accommodated in any upper contract with the Client.
3. There should be nothing in the schedules that directly contradicts anything in the main body of the contract.
4. Should significant changes be required to the contract, further separate review is essential.
5. PCG approval is granted to a specific generic contract and Practicus will not refer to any other contract as "PCG Contract Approved" or "the PCG contract" or in any other way infer approval or endorsement by the PCG unless that endorsement has been given by PCG explicitly.
6. Instances of PCG Contract Approved contracts must carry the legitimate PCG "Contract Approved" logo if they are ever to be referred to as such in any negotiation or marketing. For the avoidance of doubt, if it does not clearly carry the appropriate logo or it does not match the copy held for these purposes by PCG itself then it is not PCG Approved.
7. Whenever an Affiliate issues a single instance of a contract (even in draft form) carrying the PCG "Contract Approved" logo, it must also include the current official PCG explanatory fact sheet.

About PCG

PCG is the representative body for freelancers, consultants and contractors and is dedicated to protecting and promoting the interests of this community. Its members are cross sector and include IT, management, financial, engineering, oil and gas, telecoms and accountancy.

PCG's vision is:

- **To be the voice of freelancers** - working with the Government and industry to protect and promote freelancing and freelancers, on a local, national and European level
- **To be at the heart of the freelance community** - supporting and nurturing its members through all parts of the freelance life cycle, as well as offering commercial support, fostering peer support and encouraging new ways of working

Contact PCG

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Practicus

Practicus is a specialist resourcing company dedicated to the provision of high quality interim management and technical practitioners within IT.

Its focus is on the provision of true practitioners, the professionals who make the difference between success and failure in achieving corporate objectives.

Practicus is a member of the Recruitment & Employment Confederation (REC) and is ISO9001 certified. This recognises the commitment made to providing an exceptional level of service to its clients and candidates.

Practicus has engaged an independent organisation, BenchmarQ, who objectively solicit views of its clients and contractors to ensure that Practicus is maintaining and constantly improving its service levels.