

Approved Contract scheme

For agencies

Protecting and promoting the interests of consultants, contractors and freelancers

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

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. 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.

The Approved Contract scheme means that freelance contractors will now be able to identify those agencies with sound standard contracts, quickly and easily, reassured in the knowledge that they will be able to back those contracts with no-quibble guarantees from leading UK tax specialists.

It will allow both contractors and agencies to get on with managing their respective businesses instead of wasting time and money on time consuming contract debates.

How it works

Agencies may join PCG as Affiliate members (see below) and sign up to the Approved Contract scheme for a modest fee, which allows them to submit their standard contracts to PCG for review. Where appropriate, PCG may recommend changes that need to be made, and once these 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.

The Affiliate member may issue the contract carrying the PCG "Contract Approved" logo, provided that it is accompanied by an up-to-date and unaltered official fact sheet from PCG outlining the terms and conditions of use. The standard contract and accompanying fact sheet should bear a matching unique contract reference issued by PCG. An agency may have more than one Approved Contract, and each will have its own unique reference.

Affiliate membership

PCG recognises the contribution of a wide range of stakeholders in the freelance marketplace, and invites them to join as Affiliate members for an annual fee of just £250 plus VAT. The Affiliate membership includes accountants, agencies, lawyers, tax, business and financial advisers, training organisations, software houses and insurance companies.

Benefits to agencies

Affiliate member agencies participating in the Approved Contract scheme will benefit in a number of ways:

- Freelance contractors and consultants prefer to work with those agencies that recognise the implications of IR35
- Having an IR35 resistant standard contract will save time and money
- Having access to an IR35 resistant standard contract will provide peace of mind to freelance consultants and contractors
- Supporting PCG in representing the freelance community and taking it seriously will be seen as a positive attribute



"Pendragon has been a member of PCG for many years and wholeheartedly endorses its

dedication to championing the freelance community. We are honoured to be one of the first employment businesses to carry the PCG logo on our contracts and are already promoting the scheme which we believe will be welcomed by our clients and sub-contractors alike as a reassurance of our integrity as a business adviser."

**Maxine Preston-Allen, Managing Director
Pendragon Information Systems**

Benefits to PCG members

Any PCG member engaged under a valid PCG "Contract Approved" contract will enjoy the following benefits:

- Peace of mind, in the knowledge that they are working to an IR35 resistant contract
- The ability to start work straight away, knowing that the contractual arrangements are sound
- The option to request a free individual review from PCG's nominated tax experts if they have negotiated minor amendments of their own, or if they have a complex schedule attached.
- For additional peace of mind, the option to purchase a no-quibble tax and penalties guarantee from one of PCG's partners, at a discounted rate. This would cover all the extra IR35 tax, all the extra NICs, all the interest and penalties and professional fees in defending the member's independent status were it to prove unsuccessful.

Benefits to non-member freelance consultants

Freelance consultants and contractors who are not PCG members may be engaged via participating agencies under a PCG "Contract Approved" contract. This will provide reassurance that the agency's generic contracts are fundamentally sound.

The Contract Approved process is, however, designed as a package and non-members who would like the opportunity to take up the free additional review and discounted tax and penalties guarantee should consider the excellent value that these and the other member benefits offer from just £120 a year.

For further information about the benefits of joining PCG, see www.pcg.org.uk/membership

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 PCG's nominated tax expert for pre-approved contracts.
2. The agency 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 the agency 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.



"With this scheme, you can be assured that your agent has taken the time and trouble

to ensure that its paperwork is balanced and fair to contractors, and not exploitative in any way. This has to be a promising start to what should be a long and profitable relationship, based on mutual professional respect."

Derek Wreay, Managing Director
Wreay International Ltd

"It is a pleasure to work with PCG and Accountax in providing contractors with a pre-approved IR35-friendly and insurable contract. We believe that PCG's Approved Contract scheme will be of great interest and value to PCG members and non-members alike."

Bernie Potton, Managing Director
SQ Computer Personnel

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, oil and gas engineering, telecommunications 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

For further information

www.pcg.org.uk



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