



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 2

EMPLOYMENT INCOME: CHARGE TO TAX

[^{F1}CHAPTER 10

[^{F1}WORKERS' SERVICES PROVIDED THROUGH INTERMEDIARIES TO PUBLIC AUTHORITIES OR MEDIUM OR LARGE CLIENTS]

[^{F1}61M Engagements to which Chapter applies

- (1) Sections 61N to 61R apply where—
- (a) an individual (“the worker”) personally performs, or is under an obligation personally to perform, services for another person (“the client”),
 - ^{F2}(b)
 - (c) the services are provided not under a contract directly between the client and the worker but under arrangements involving a third party (“the intermediary”), ^{F3} ...
- [the client—
- ^{F4}(ca) (i) is a public authority, or
 - (ii) is a person who qualifies as medium or large and has a UK connection for one or more tax years during which the arrangements mentioned in paragraph (c) have effect, and]
- (d) the circumstances are such that—
- (i) if the services were provided under a contract directly between the client and the worker, the worker would be regarded for income tax purposes as an employee of the client or the holder of an office under the client, or

Status: Point in time view as at 06/04/2021.

Changes to legislation: *Income Tax (Earnings and Pensions) Act 2003, Section 61M is up to date with all changes known to be in force on or before 12 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

(ii) the worker is an office-holder who holds that office under the client and the services relate to the office.

- [But sections 61N to 61R do not apply if—
- ^{F5}(1A) (a) the client is an individual, and
 (b) the services are provided otherwise than for the purposes of the client's trade or business.]
- (2) The reference in subsection (1)(c) to a “third party” includes a partnership or unincorporated association of which the worker is a member.
- (3) The circumstances referred to in subsection (1)(d) include the terms on which the services are provided, having regard to the terms of the contracts forming part of the arrangements under which the services are provided.
- (4) Holding office as statutory auditor of the client does not count as holding office under the client for the purposes of subsection (1)(d), and here “statutory auditor” means a statutory auditor within the meaning of Part 42 of the Companies Act 2006 (see section 1210 of that Act).
- (5) In this Chapter “engagement to which this Chapter applies” means any such provision of services as is mentioned in subsection (1).]

Textual Amendments

- F1** Pt. 2 Ch. 10 inserted (with effect in accordance with Sch. 1 para. 16 of the amending Act) by [Finance Act 2017 \(c. 10\)](#), [Sch. 1 para. 9](#)
- F2** [S. 61M\(1\)\(b\)](#) omitted (with effect in accordance with Sch. 1 para. 25 of the amending Act) by virtue of [Finance Act 2020 \(c. 14\)](#), [Sch. 1 para. 11\(2\)\(a\)](#) (with [Sch. 1 paras. 30-34](#))
- F3** Word in [s. 61M\(1\)\(c\)](#) omitted (with effect in accordance with Sch. 1 para. 25 of the amending Act) by virtue of [Finance Act 2020 \(c. 14\)](#), [Sch. 1 para. 11\(2\)\(b\)](#) (with [Sch. 1 paras. 30-34](#))
- F4** [S. 61M\(1\)\(ca\)](#) inserted (with effect in accordance with Sch. 1 para. 25 of the amending Act) by [Finance Act 2020 \(c. 14\)](#), [Sch. 1 para. 11\(2\)\(c\)](#) (with [Sch. 1 paras. 30-34](#))
- F5** [S. 61M\(1A\)](#) inserted (with effect in accordance with Sch. 1 para. 25 of the amending Act) by [Finance Act 2020 \(c. 14\)](#), [Sch. 1 para. 11\(3\)](#) (with [Sch. 1 paras. 30-34](#))

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