

Global Mobility:
Business visitors
to the UK from
non-treaty
countries

PKF

Are you a UK employer with staff visiting the UK on business trips from overseas offices in non-treaty countries within your group?

You may be familiar with the Appendix 4 Short-Term Business Agreement that is needed by UK companies who have business visitors from group companies outside the UK but what about where there is no double tax treaty between the UK and the country from which the business visitor originates?

Non-Treaty Countries

Strictly, UK income tax and National Insurance Contributions (NIC) should be withheld from earnings for each day an individual spends working in the UK and as per "Real Time" rules be added to the UK payroll in that month. However, it is possible to apply to HMRC for a special Appendix 8 annual payroll for short-term visitors from non-treaty countries, simplifying the payroll reporting and reducing the administrative burden.

PAYE Appendix 8 Agreement

A UK company that is receiving visitors from non-treaty countries who are spending, in aggregate, up to **60 workdays** in the UK in the tax year (6 April to 5 April) can benefit from having an Appendix 8 Agreement in place with HMRC. A workday is any day someone spends a minimum of three hours performing work-related duties. The Appendix 8 application should be made to HMRC in writing before the business trip takes place. Once the application is approved, HMRC will set up a payroll and confirm the payroll reference.

Things to note:

- PAYE on earnings attributable to UK workdays in the tax year is reported on the Appendix 8 payroll
- The value of benefits provided to the individual attributable to UK workdays, together with any assignment specific benefit, will also be included on the Appendix 8 payroll
- P11Ds for any benefits are not required
- The UK tax-free Personal Allowance is unlikely to be available however, will be taken into account in the PAYE calculation where relevant
- A single Full Payment Submission (FPS) and payment of the PAYE is due by **31 May** following the end of the tax year
- Individual self-assessment UK tax returns are not required unless other UK income/gains need to be reported
- An Appendix 8 Payroll cannot be used for Non-Resident Directors of a UK company. They are specifically excluded.

Please note that if the UK tax payable is not recovered from the employee, it is treated as a taxable benefit in itself. Income should be reported on the Appendix 8 payroll on a grossed-up basis in order for the UK company to pay the gross-up tax due.

Once in force, the Appendix 8 Agreement will continue until either HMRC or the employer amends or ends it. Employer Payment Summary (EPS) should be submitted for years where there are no relevant visitors.



UK National Insurance (Social Security)

The rules for National Insurance and Tax purposes are different.

There is a separate network of treaties that relate to social security and advice should be sought depending on the countries involved. A list of countries with which the UK has a social security agreement can be found [here](#).

Broadly, if an individual is travelling from a country with which the UK has a social security agreement, a certificate of coverage can be applied for in their home country and will ensure that the individual can remain in their home country social security system and not be liable for UK social security.

Visitors from non-agreement countries do not usually trigger UK social security unless they visit the UK for more than 52 weeks.

Cases where Appendix 8 Agreement is not available

Appendix 8 Agreements are not available to:

- Employees who are subject to UK National Insurance
- Directors of a UK company
- Visitors with more than 60 workdays in the UK in the tax year

In these circumstances, income related to UK workdays should be reported on a standard UK payroll, on or before the payment is made.

How do I obtain an Agreement?

PKF Littlejohn is happy to discuss your business needs and assist with the relevant application to HMRC, as well as helping you to monitor your visitors throughout the year. We can work with you to help ensure your company is compliant in this area of global mobility.

About PKF

Simplifying complexity for our clients

PKF is one of the UK's largest and most successful accountancy brands.

We provide a full range of audit, accountancy, tax and advisory services, and are experts at simplifying complexity – we're particularly well-known for working with large, high-profile businesses with challenging issues in fast-moving and highly technical areas.

We are also an active member of PKF International, a global network of legally independent accounting firms that gives us an on the ground presence in 150 countries around the world.

PKF in numbers

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Over **2,030**

Staff

Over **£165**

Million annual fee income

Ranked **14th**

Largest global accounting network

Over **480**

Offices in 150 countries

Over **\$1.5bn**

Revenue



Leading Global Mobility Advisors

Global Mobility is a complex area but we can help simplify this, whether you already operate and deploy people internationally, or are looking to undertake employee mobility for the first time.

It is crucial that your business understands the options available to structure an international workforce – whether employing people locally or sending more senior individuals to work with the business in a different country for a period.

Our Global Mobility team focuses on client relationships to get the best results, helping them optimise service quality and cost efficiency. Whilst acknowledging the value of technology and its benefits, we also value getting to know our clients and their business, whatever their location.

Get in touch today to see how we can help...



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Our team will step in to assist employers and employees with a range of services. These include:

- Assignment planning
- Policy design for long and short-term assignments
- Workshops for in-house tax and HR teams
- Non-resident directors
- Short Term Business Visitors
- International commuters
- Advice on home and host country tax and social security obligations (employee and employer)
- Tax equalisation
- Tax and social security compliance.

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