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## flash International Executive Alert

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### United Kingdom – Changes to Short-term Business Visitors Agreement Published

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Her Majesty's Customs & Revenue (HMRC) in the United Kingdom has published a new "Short Term Business Visitors (Appendix 4) agreement." In this *Flash International Executive Alert* we briefly describe important changes introduced by this new agreement.

### Background

Many companies use a Short Term Business Visitors (Appendix 4) agreement to reduce the burdens of payroll withholding and reporting requirements in respect of short-term business travellers to the U.K. who benefit from relief under double taxation agreements. This relaxation is even more important following the introduction of Real Time Information (RTI) in the U.K. where reports of payments and the tax and social security deducted from employees have to be sent to HMRC "on or before" payment to the employee.

In [Flash International Executive Alert 2013-026](#) (5 February 2013), we reported that HMRC was going to change the terms of the agreement. As mentioned above, HMRC has now published the new agreement.<sup>1</sup>

### Some Important Changes

Employers with existing agreements are not required to sign new agreements. Employers that do not have an Appendix 4 agreement with HMRC should consider applying for one, not only due to the introduction of RTI, but also because the introduction of the statutory residence test (from 6 April 2013) is likely to increase the number of dual-resident employees. Such dual residents can be included in the Appendix 4 agreement.

The biggest change in the agreement is the requirement to inform HMRC of individuals who are likely to spend over 150 days in the U.K. as soon as "*it can reasonably be anticipated that the employee will be present in the UK for more than 150 days*"<sup>2</sup> – this is even if treaty relief will be due.

### KPMG Note

The introduction of RTI also means that HMRC will for the first time be able to monitor how U.K. withholding is operated each pay-day and hence will be able to determine whether employers are following the terms of the agreement. It is therefore essential that employers have systems and processes in place to track and monitor their short-term business visitors.

*Footnotes:*

- 1 See: <http://www.hmrc.gov.uk/manuals/pommanual/PAYE82000.htm> .
- 2 Ibid.

\* \* \* \*

### **International Executive Services: Global Mobility Forum 2013**

Please 'Save the Date' in your calendar today and join us in Barcelona, Spain, at KPMG's International Executive Services: Global Mobility Forum 2013. We have planned a fantastic lineup and look forward to seeing you in Barcelona on 8-10 October 2013! For more information, please contact your local KPMG professional.

**Save the Date:**

8-10 October 2013

**Location:**

Hilton Diagonal Mar Hotel, Barcelona, Spain

The information contained in this newsletter was submitted by the KPMG International member firm in the United Kingdom. The information contained herein is of a general nature and based on authorities that are subject to change. Applicability of the information to specific situations should be determined through consultation with your tax adviser.

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