



## YOUR OUTSIDE IR35 BLUEPRINT 9 AND 7 Status Determination Statement (SDS) ON 34SQUARE

If an outside IR35 status is genuinely warranted, clients can generate a supporting SDS in minutes and bolster their reasonable care obligations with the following simple steps, supported by workflow, electronic signature, full audit trail and secure document storage:

Check this document to ensure you can sign up to the 9 criteria 34square has prescribed as mandatory to generate an outside IR35 SDS on our platform.

-----  
Agent and Client Register for free on 34square.

-----  
Contractor(s) register for a nominal annual fee, for which they attain foundational capabilities that protect the integrity of the outside IR35 status for everyone.

-----  
Contractor issues Right of Substitution Declaration to client.

-----  
Client signs and publishes, then generates and issues the SDS to worker and fee payer, acknowledging the 9 prescribed criteria in the web form and then selecting up to 7 optional bolstering additions.

-----  
Worker and fee payer sign to acknowledge receipt and publish.

-----  
Automatic reminder every 6 or 12 months for client to review and re-issue the SDS.

## 34SQUARE OUTSIDE IR35 BLUEPRINT: YOUR 9 AND 7 SDS

See overleaf for actual more detailed SDS Wording

### 9 CRITERIA PRESCRIBED BY 34SQUARE

#### Workers Duties

1. The worker is not an office holder or an employee.

#### Substitutes and Helpers

2. Right of Substitution Declaration signed between client & PSC,

#### Working Practises and Arrangements

3. Acts independently, on client's behalf, Would introduce as such
4. We, the client have no obligation to provide any work to the worker.
  5. Has no obligation to perform any work for us, the client.
  6. PSC carries the obligation to deliver the specified services.
    7. Not engaged in a job role with an indefinite tenure.
  8. Considerable autonomy in methodologies and approaches.
9. Worker has greater autonomy than employees in hours & locations.

### 7 OPTIONAL OUTSIDE IR35 BOLSTERING CRITERIA

1. Doesn't run employee formal appraisals or disciplinary procedures.
  2. Not entitled corporate benefits awarded to employees.
3. Uses own equipment. Not provided with client computing devices.
4. Solely responsible for ensuring they are qualified and competent.
5. Will initially fund cost of non-commuting travel & accommodation.
6. Must fund cost of significant materials in advance of being paid.
  7. Must fund cost of significant equipment and / or tools.

### THE FIRMEST OF FOUNDATIONS

A robust, legally-binding substitution capability, backed by process-automated contracts; legally-binding contract security & integrity for client. Change throwaway lines in contracts to a tangible, evidenceable capability.

A Right of Substitution Declaration that leaves NO ROOM FOR DOUBT that the legal right is in place, unfettered and unchallengeable.

## DETAILED WORDING FOR EACH OF THE CRITERIA, THAT YOU'LL SEE IN YOUR GENERATED SDS

### 34SQUARE MANDATED OUTSIDE IR35 CRITERIA

**Workers Duties:** The worker is not an office holder or an employee.

**Substitutes and Helpers:** Facilitated by 34square Ltd with input from multiple IR35 / off-payroll rules legal experts, a Right of Substitution Declaration has been signed between the client and the worker's PSC, confirming that said PSC has an unfettered legal right to substitute the worker. Further, the worker's PSC would / will be responsible for engaging and paying any substitute. As detailed in the Right of Substitution Declaration, we, the client, have also confirmed that the worker's PSC would be in a position to provide a substitute in a legally binding manner, in which there would / will be contract continuity and integrity between us, the client, the worker's PSC and the Substitute's PSC / legal entity. This measure provides the basis for our (the client's) willingness to sign the Right of Substitution Declaration and dispense with any notion the worker is providing a personal service.

### Working Practises and Arrangements

- The worker acts independently, on our (the client's) behalf, and would introduce themselves as such when asked.
- We, the client have no obligation to provide any work to the worker.
- The worker has no obligation to perform any work for us, the client.
- We, the client, acknowledge that it is the worker's PSC that carries the obligation to deliver the specified services in [contract name]
- The worker is not engaged in fulfilling a job role with an indefinite tenure.
- The worker has considerable autonomy in terms of the methodologies, approaches and techniques deployed in the provision of the
- required deliverables, and is not bound by our own methodologies and procedures to the degree that our employees are, albeit high
- standards of professional conduct and demonstration of competency are expected.
- The worker has a greater degree of autonomy and input than our employees in respect of the number of hours worked and the locations
- from which their services are delivered, albeit there is an expectation of professional courtesy, collaboration and flexibility.

## OPTIONAL OUTSIDE IR35 BOLSTERING CRITERIA

- The worker is not responsible for employee formal appraisals or disciplinary procedures in relation to our (the client's) employees.
- The worker is not entitled to any of the corporate benefits awarded to employees.
- The worker uses their own equipment to deliver the services and is not provided with a client laptop or other personal computing device.
- The worker is solely responsible for ensuring they are qualified and competent to deliver their services and will not receive training or guidance from us (the client) in that regard.
- The worker will fund the cost of non-commuting travel and accommodation expenses in advance of being paid.
- The worker must fund the cost of significant materials in advance of being paid, in order to deliver the services.
- The worker must fund the cost of significant equipment and / or tools (not including laptops) in advance of being paid, in order to deliver the services.

## CLOSING CONCLUSION

Whilst there are many contributing factors listed above, it has been concluded that Off-payroll working rules (IR35) do not apply primarily because the worker's PSC has the legal right and robust capability to substitute the worker and to engage, legally contract with and pay the substitute themselves. As such, this engagement is, by definition, a contract for services and not a contract of service. There is no personal service obligation upon the worker. This conclusion is in line with HMRC's Check Employment Status for Tax interpretations and is supported by numerous case law precedents.

If you wish to dispute the IR35 off payroll status concluded in this status determination statement, please email [sdsdisputes@34square.com](mailto:sdsdisputes@34square.com), attach a copy of the SDS and provide a full and detailed explanation for the reason for the dispute.