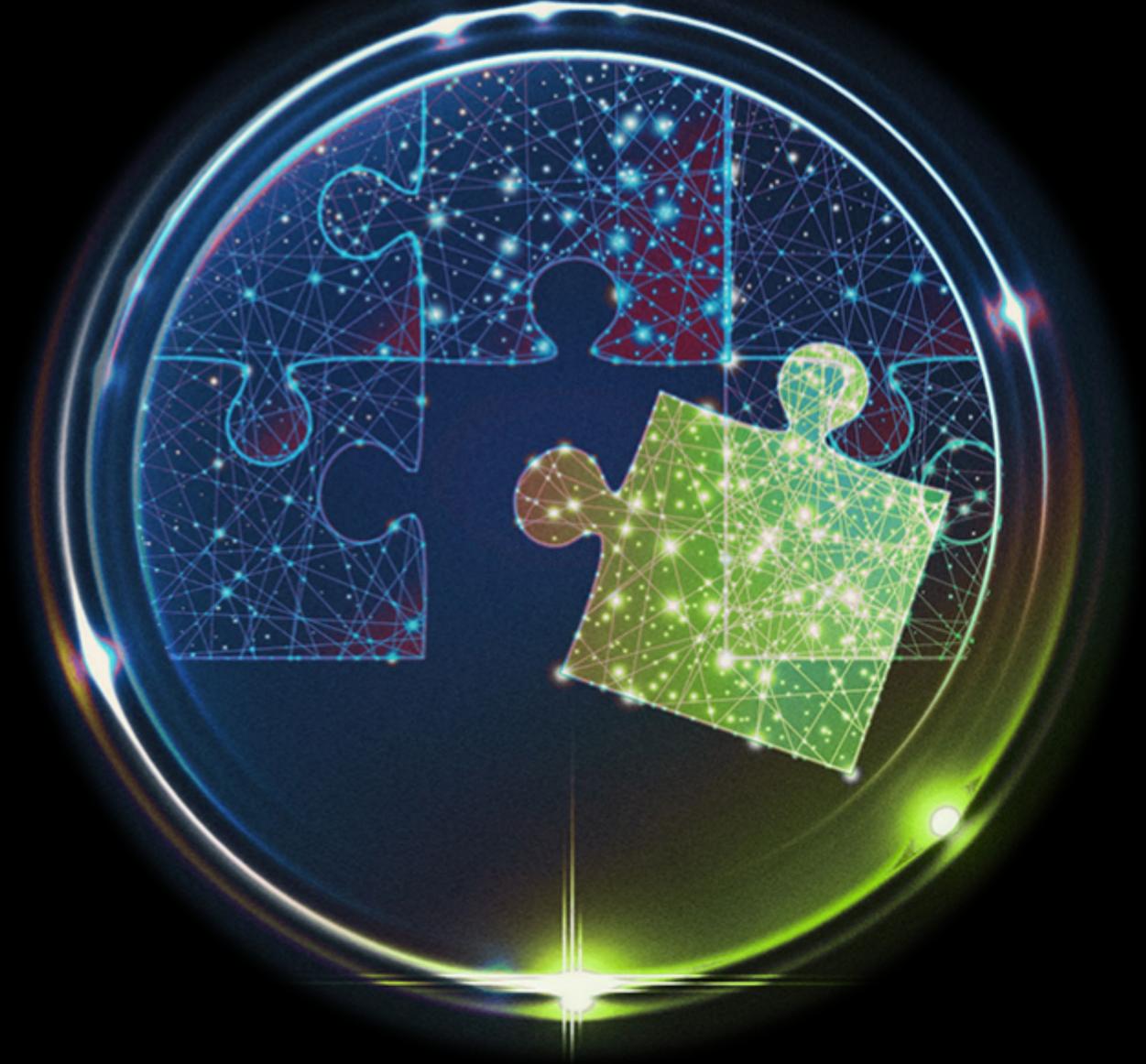


Short term business  
visitors – getting the UK  
compliance right

Chris Brookes and Steve Young



# Today's Agenda



## PAYE

- PAYE triggers
- Treaty exemption

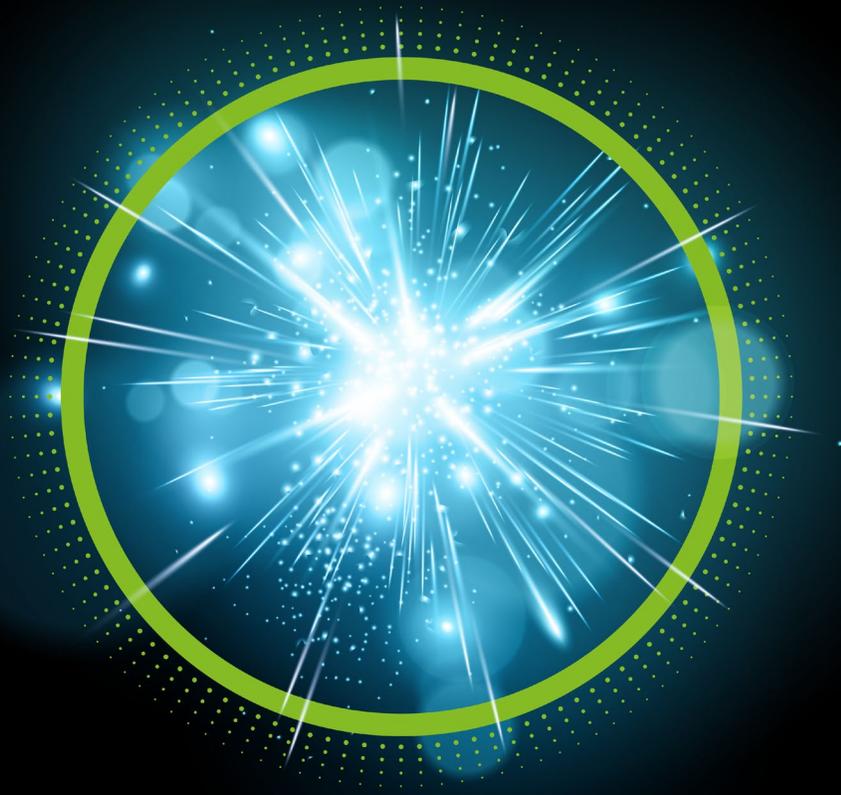


## National insurance and ERS returns



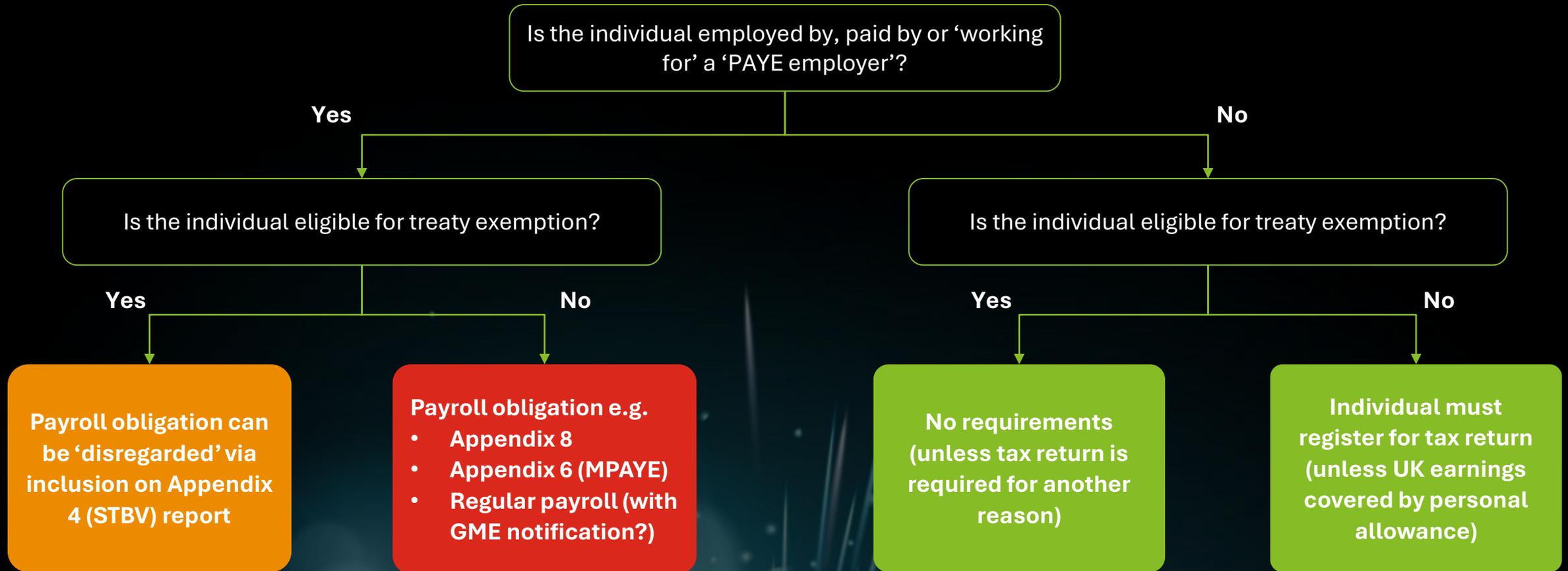
## Practical steps

# PAYE



# PAYE obligation overview

For non-resident (or treaty non-resident) individuals working in the UK...



# Domestic PAYE triggers

...is the individual employed by, paid by or working for a 'PAYE employer'...

## 'PAYE employer'

- Any UK company
- Any overseas company with a UK tax presence (e.g. branch in the UK)

### Employed by

- This looks at the legal employer (an assignment does not change the legal employer)

### Paid by

- When looking at 'paid by' we look at earnings (i.e. salary, bonus etc. - ignoring simply travel and subsistence expenses)

### Working for

- 'Working for' is a test of the right of control and management (rather than the employer benefiting from the services of the individual);
- Consider extent of supervision by UK employees and any immediate, indirect or 'dotted line' reporting, as well as any UK entity sponsorship for those requiring a visa or work permit to travel to the UK;
- 'Working for' is separate from economic employment and generally has a lower bar

# Domestic PAYE triggers

## Examples

### PAYE trigger (Employed by, paid by or working for)

1. Formally assigned to the UK for 2 years, reporting to UK management during this time.
2. Head of Sales for the US company. Regular business travel to the UK reporting to the Global Head of Sales.
4. Employee of the Spanish branch of the UK company. Works in the UK for personal reasons.

### No PAYE trigger

3. Employee of the Canadian company. Working remotely in the UK for 2 months.
5. Employee of the US company. Meets with clients of the US company in the UK.

# Article 15(2) – OECD model treaty

2. Notwithstanding the provisions of paragraph 1, remuneration derived by a **resident of a contracting state** in respect of an employment exercised in **the UK** shall be taxable only in **the first mentioned State** if:

a) the recipient is present in **the UK** for a period or periods not exceeding in the aggregate 183 days in any twelve month period commencing or ending in the fiscal year concerned, and

b) the remuneration is paid by, or on behalf of, an employer who is not a resident of **the UK**, and

c) the remuneration is not borne by a permanent establishment which the employer has in **the UK**.

HMRC follow the “economic employer” concept described in the OECD commentary which looks at whether costs *should* have been borne (instead of whether they actually were)

HMRC have a “less than 60-day” rule described in tax bulletin 68. Where the less than 60-day rule applies HMRC would not regard the individual as economically employed by the UK company or PE irrespective of other facts (or the existence of a cost recharge).

# The 'less than 60-day' rule

## What are the conditions?

- 1) You must be legally employed and paid by a non-UK resident employer
- 2) You must have less than 60-days of presence in the UK in a tax year; and
- 3) Your presence does not form part of a more substantial period when the taxpayer is present in the UK (known as 'linked periods')

A day of presence is any part of a day (unless they are prevented from leaving because of sickness or are only transiting through the UK)

## What are 'linked periods'?

Within [Tax Bulletin 68](#) HMRC provide four factors to consider when assessing if periods are linked:

- Is there an expectation that the employee will return to the UK when they depart initially?
- How long is the gap between visits in comparison to the length of those visits?
- How frequently does the employee return to the UK?
- How integral to the business are the duties performed?

## Example

Mr A is employed and paid by the French company. He works in the finance department and comes to the UK for 6 weeks (January and February 2026) to assist with the year end process.

### Considerations

During 2025/26, Mr A has only been in the UK for around 40 days. If Mr A has not previously been in the UK as part of his finance role and there are no plans for him to return it may be reasonable to suggest Mr A meets the less than 60-day rule.

# Economic employer

For visitors from treaty countries, only required if we don't meet the less than 60-day rule...

## What do we look at when considering economic employer?

Economic employer is considering whether duties are integral to the UK or overseas employer.

The primary test is where the risk and responsibility lies, e.g.:

- If work overran, who would pick up the extra cost? If there was an error, which entity would resolve? Could the UK entity be sued for the individual's work?

Other factors which are considered include:

- Is there a recharge of the individual's costs? Is there a formal assignment letter? Who does the individual report to whilst in the UK?

## Example

Mr B works for the French subsidiary of ABC Plc (a UK headquartered organisation). Mr B has been promoted to the global head of sales but will still be based in France. Mr B will be working approximately 50 days a year in the UK and will be reporting to the global CEO (based on the UK).

### Considerations

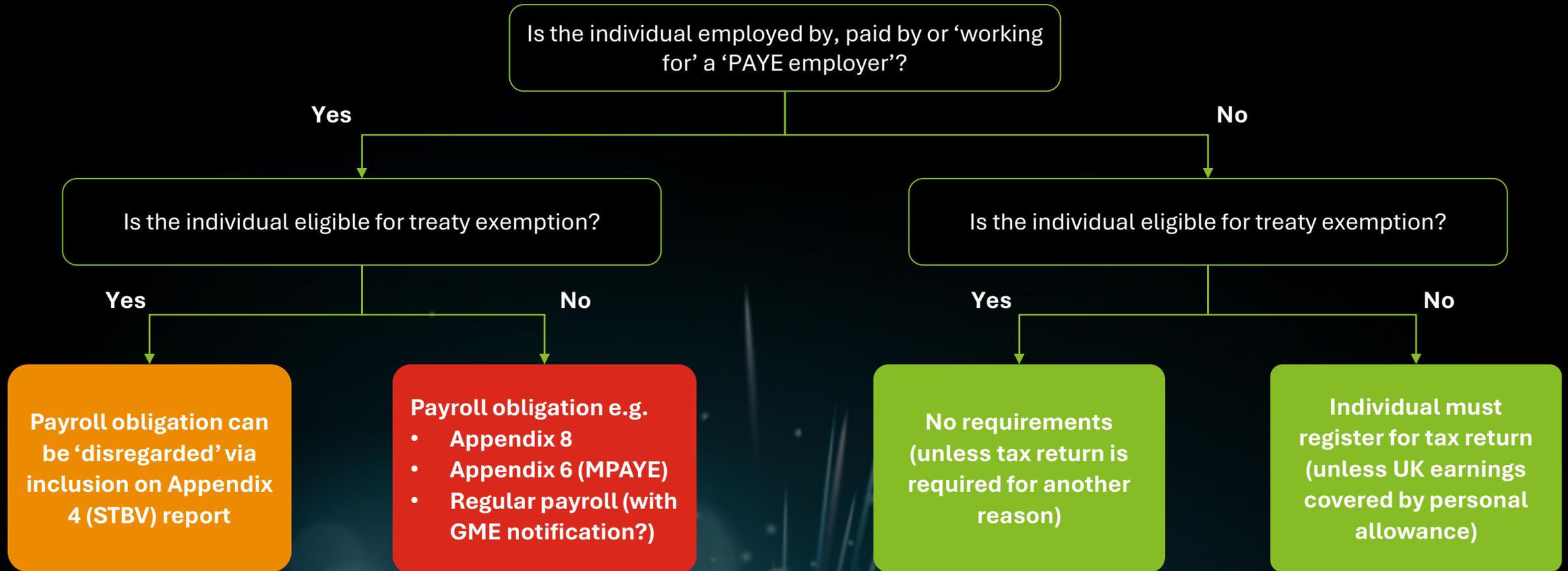
As it appears to be an ongoing arrangement it is unlikely the less than 60-day rule will apply.

As Mr B is the global head of sales for a UK headquartered organisation, we would expect Mr B to be considered economically employed in the UK – this would be a role normally carried out by a UK employee.

Sales staff in France who report to Mr B may not be economically employed in the UK as they may hold a 'French sales role' and operate within a French cost centre.

# PAYE obligation overview

For non-resident (or treaty non-resident) individuals working in the UK...



# Appendix 8 - overview

## Who is eligible?

- Individuals with 60 or fewer substantive UK workdays in the tax year
- **Cannot** be a director of a UK company or be subject to UK national insurance

## How does it operate?

- One payroll submission each tax year (submission and payment due 31 May following the end of the tax year)
- PAYE income does not need to be grossed up (unless tax equalization arrangements in place) but benefits should be grossed up if the employer is paying the tax
- Personal allowances can be applied, if available
- Tax returns do not need to be completed (unless the individual has to file for other reasons)

# Appendix 6 (MPAYE) - overview

## Who is eligible?

- Inbound individuals who are tax equalised on general earnings (not necessarily on Chapter 5 share schemes or termination payments)
- For individuals subject to UK national insurance a separate Appendix 7A scheme should be entered into

## How does it operate?

- Monthly payroll submissions on a best estimate basis with at least one reconciliation
- Monthly PAYE payments (or quarterly is possible if there are 5 or fewer assignees in the scheme)
- P60s must be produced by 31 May and P11Ds by 31 January
- Tax returns must be submitted by individuals

# Globally mobile employee (GME) notifications - overview

## Who is eligible?

- Non-residents
- Treaty non-residents
- Individuals eligible for overseas workday relief

## How does it operate?

- Employers submit an online notification to HMRC and receive an auto-acknowledgement
- Once the auto-acknowledgement is received employers operate PAYE on only a portion of the individual's earnings (e.g. 70%)
- Notifications are required each tax year (or can be updated mid-year for material changes in work pattern)

# Case study – Employer of record

XYZ Plc (a UK headquartered organisation) needs an expert on a particular piece of software and identifies George who lived in Greece. George does not want to relocate to the UK and XYZ Plc do not have a presence in Greece so XYZ Plc hire George through a Greek Employer of Record (EoR).

It is agreed that George will come to the UK for 10 days a year but will otherwise work remotely in Greece.

1

**Is it likely there will be a domestic PAYE trigger for George?**

The employer of record structure will mean that George is legally employed by and paid by the Greek EoR. However, George would be 'working for' XYZ Plc. The EoR would not exert any control over George (it would be the XYZ Plc who the right of management and control). Therefore, there would be a domestic PAYE trigger for George.

2

**Is it likely that treaty exemption will be available for George's UK workdays?**

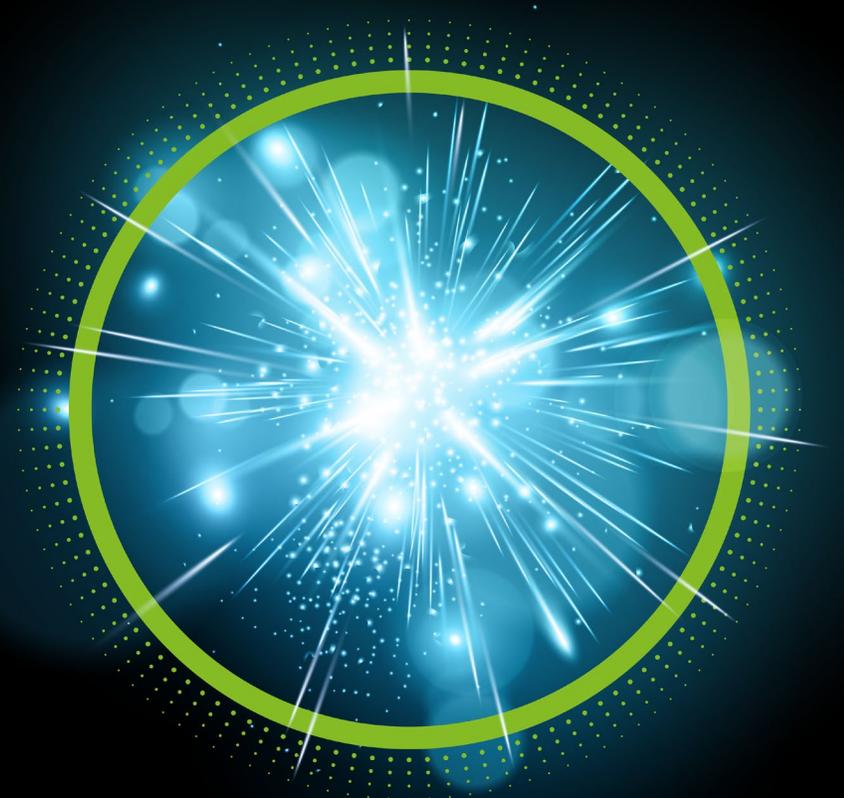
George is potentially eligible for the less than 60-day rule as he is legally employed and paid by a non-UK resident employer. Given George will only be in the UK for 10 days a year it would take 6 years for George to go over 59 days. Given factors in Tax Bulletin 68 talk about frequency of visits it may be reasonable to take the position that George is covered under the less than 60-day rule.

If George is not eligible for the less than 60-day rule he will be economically employed in the UK (as his work is integral to the UK company) so George would need to be added to a UK payroll.

# STBV pitfalls



# National insurance and ERS returns



# Social security

Where Social Security is Payable when working outside the 'Employing' State

Depends on terms of each agreement but potential home country coverage for 1 – 5 years plus possible extension



Bilateral agreements

Posted workers (up to 2 years home country coverage), separate multi-state worker rules



EEA and Switzerland

Rest of the world



Domestic rules of each country (e.g. 52-week exemption for UK inbounds / 52-week liability for UK outbounds)

# Social security – 52 week rule

Banana Plc has engineers from China, visiting the UK every 6 months, typically, to spend 45 days working on separate UK projects.

1

**Is there a national insurance obligation in respect of these workers?**

The UK does not have a reciprocal agreement with China so we rely on the 52-week exemption for inbounds.

The 52 week rule (per Reg 145 of SSCR 2001) is based on the 'last arrival in the UK' so generally re-set each time for STBVs. Social security considers 'regular abode of life' and so there is likely to be a sufficient break and the 52-week clock should be re-set in these circumstances.

# A1s/CoCs for STBVs

Go to [www.menti.com](https://www.menti.com) on your phone

Enter code 1232 6346



For which of these individuals would you obtain an A1/CoC? (select all which apply)



A

Equalised inbound – reported on an MPAYE scheme (App 6)



B

Taxable business visitor – reported on an Appendix 8 scheme



C

Exempt business visitor – named on an Appendix 4 (STBV report)



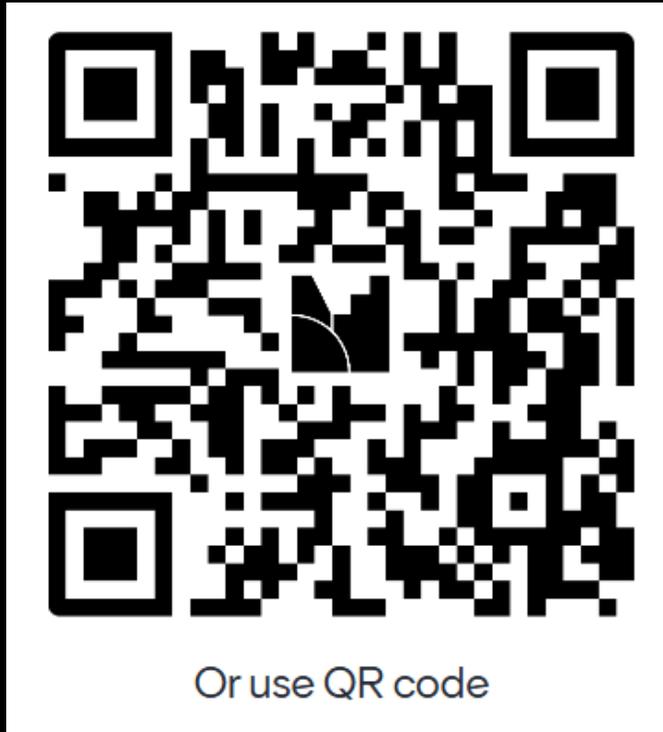
D

Exempt business visitor – covered by less than 60-day rule so not named on Appendix 4 (STBV report)

# ERS reporting

Go to [www.menti.com](https://www.menti.com) on your phone

Enter code 1232 6346



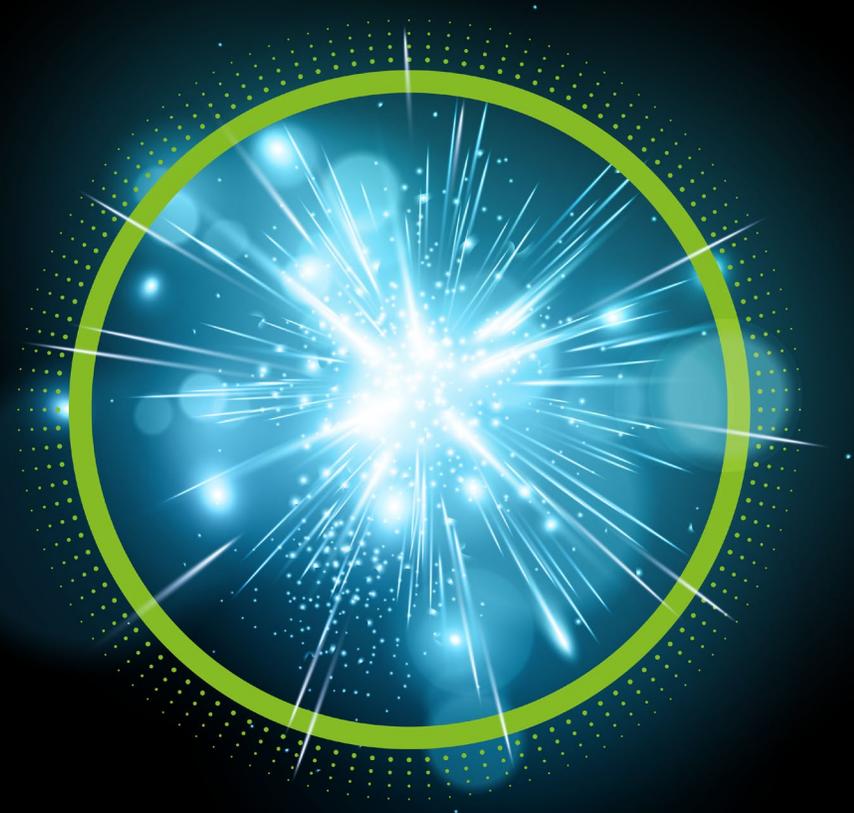
For which of these individuals would you report on an ERS (Employment Related Securities) return? (select all which apply)

- A** Equalised inbound – reported on an MPAYE scheme (App 6)
- B** Taxable business visitor – reported on an Appendix 8 scheme
- C** Exempt business visitor – named on an Appendix 4 (STBV report)
- D** Exempt business visitor – covered by less than 60-day rule so not named on Appendix 4 (STBV report)
- E** Remote worker – not within scope of UK PAYE

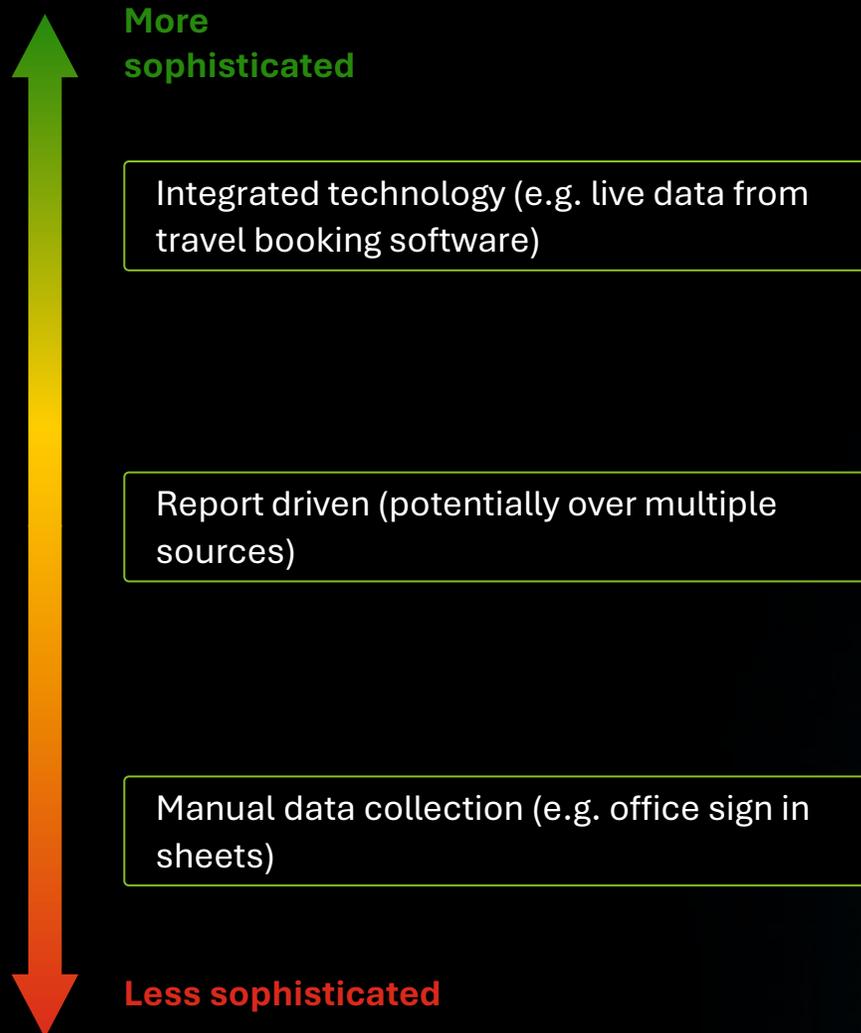
On 10 July 2025, HMRC updated [ERSM140030](#) and stated:

“The ERS reporting obligations are not mitigated or waived by the provisions of EP Appendix 4 ([PAYE82000](#)).”

# Practical steps



# Tracking STBVs



## Factors to consider

- Size of organisation / volume of travel
- Existing software suite
- Budget
- Employee experience
- Risk appetite
- Proactive vs reactive



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