



All-Party Parliamentary Loan Charge & Taxpayer Fairness Group

www.loanchargeappg.co.uk

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24th January 2022

Dear Chris,

First of all, we welcome you to your new role.

We are replying to the letter from the FCSA, sent from your predecessor Phil Pluck, with whom we were corresponding about the FCSA Charter, dated 8th November about the change to the FCSA's Charter, regarding accredited members use of offshore arrangements.

As we made clear, we welcomed the change to the FCSA Charter and the acknowledgement, made by Phil, that the previous wording was unfortunate.

We do, however, need to address and challenge this following statement. The letter states:

The FCSA is grateful for your acceptance that both our Charter and our Codes of Compliance are clear in that the FCSA do not and never have supported any form of tax avoidance schemes, especially any form of loan charge scheme. No FCSA companies offer these schemes and expulsion from the FCSA would be the only recourse if evidence suggested that they did so.

We have not said this and we cannot therefore allow this statement to stand unchallenged. We have not accepted that both the FCSA Charter and Codes of Compliance "are clear in that the FCSA do not and never have supported any form of tax avoidance schemes, especially any form of loan charge scheme". What we stated was that "The revised wording is indeed now clear and explicitly rules out any involvement in unacceptable offshore tax arrangements". That is not the same thing and we must therefore correct the record. We have no knowledge of what may or may not have been the case previously, so we must state on record that whilst we welcome the new wording, which we believe is strong and clear, we have not stated that we accept (or know) about what may or may not have happened in the past.

Co-Chairs: Sammy Wilson MP, Greg Smith MP, Mohammad Yasin MP

Vice-Chairs: Baroness Kramer, Dr Lisa Cameron MP, Gerald Jones MP, Sarah Olney MP, Rushanara Ali MP

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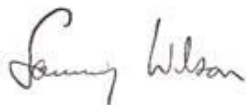
In terms of the substance of our original letter to you, the issue that remains is how HMRC engaged and used contractors using DR schemes and whether they stipulate that they only use FCSA umbrella companies (with you making clear that FCSA accredited companies do not operate or recommend any such schemes).

HMRC have made conflicting statements about whether or not they only use FCSA contractors and we have now written to HMRC about this and have copied you in, as this is something that needs clarifying, including for the FCSA.

We shall be interested to see their reply and will share it with you when we receive it.

Lastly we note with concern, the several reports of FCSA accredited companies being hit with cyber-attacks, that have been raised with us. Considering that many UK workers are reliant on their livelihoods by being paid by umbrella companies, who hold confidential data, including bank account details and other sensitive details, this is hugely worrying. Considering this and the huge sums involved overall, this is surely another reason why regulation of the market, something that the FCSA has told us it supports, happens as soon as possible. Can you say what assurances you can give that FCSA members are doing all they can to rectify this, as well as to reassure workers that their data has not been compromised.

Yours sincerely,



Sammy Wilson MP
Co-Chair



Greg Smith MP
Co-Chair



Mohammad Yasin MP
Co-Chair

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