

# is IR35 going to disrupt your cash flow in April 2021?



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The introduction of the IR35 Off-payroll working rules into the private sector this April 2021 is causing many recruitment businesses to reflect on areas fundamental in their operating model.

The new legislation means that most workers who are currently engaged via their own limited company will no longer be able to do so from the 6th of April 2021 and instead the workers will be engaged by a form of PAYE employment typically via you, the agency, or via an umbrella business.

This has wide reaching implications not least on the cash flow cycle of recruitment agencies.



Your candidates engaged via a limited company raise invoices at the end of the working period, often monthly. These are currently paid by the agency up to 30 days following. As your candidate moves to a PAYE employment model the payment for work is typically weekly, not monthly, and therefore payment is brought forward by a few weeks and will in most instances cause an increased need for credit.

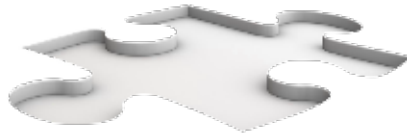


We have already seen some recruitment agencies requesting longer payment terms from their umbrella companies, this may be a short-term solution but will not support an agencies long term growth.





At **giant finance+** we provide 100% invoice finance solving this finance gap and we also eliminate agencies employment risk through the use of our many **giant** employment solutions such as **giant** umbrella, PEO and **giant** IR35 fee payer!



## about giant

Since 1992 **giant** have provided specialist, end to end workforce management software and support services to large and small recruitment agencies, internationally.

We invest heavily in our cloud-based software which ranges from candidate sourcing and onboarding through to timesheet management, billing and payroll. Our support services include candidate screening, employment solutions and legislative risk management; whilst at our specialist division, **giant finance+**, we provide tailored funding, software and support services for start-up to medium sized recruitment agencies.

You can relax knowing your data is safe with us. Our commitment to compliance protects your business from risk and our rigorous international security standard ISO 27001 ensures that your data is GDPR secure.

Our principles are simple: customer 1st. This is the core to everything we do as a group and screening is no exception. We grow and retain our customer base through exceeding expectations and ensuring that everything we do is focused on our client's needs and not our own.

As part of **giant group**, who have been delivering compliance solutions to their clients for 25 years, we have the expertise, knowledge and systems that many providers envy.

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