

MSC CHANGES START TODAY – 5 APRIL 2007

In the recent budget it was confirmed that the new rules for MSCs start from today.

There have been no significant changes to the original proposals, save that the debt transfer provisions have been deferred a few months.

The new rules do not affect the typical Garbetts client operating via Personal Service Company.

They have a significant impact on anyone using a Composite Company, a dividend paying Umbrella (which, strictly speaking, is an oxymoron) and to a lesser extent on any one using a PAYE based umbrella.

The only reliable way for a UK contractor to now operate tax efficiently is via a Personal Service Company.

For further information:

<http://www.garbetts.com/download/msctopsc.pdf> - our guide to converting from MSC to PSC

<http://www.garbetts.com/psc/> - our PSC home page

<http://www.garbetts.com/managed/> - managed service company changes

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