

## HMRC JSL Updates

HMRC has today (17th September) issued an update to the umbrella legislation guidance set to take effect in April 2026:

<https://www.gov.uk/hmrc-internal-manuals/employment-status-manual/esm2420>

Commenting, Crawford Temple, CEO of Professional Passport, the UK's largest independent assessor of payment intermediary compliance, said:

"HMRC's updated guidance on Joint and Several Liability confirms what I have been saying all along: agencies will carry liabilities they cannot control. The manual makes it clear that if an umbrella fails to meet its PAYE obligations, HMRC will pursue recovery from the relevant parties in the chain - recruiters included. Moreover, the fact that HMRC has published guidance this far in advance suggests the draft legislation will pass into statute largely untouched. It's unusual to see guidance precede the final legislation.

"Today's guidance also validates the warnings we have been raising. Monthly checks and so-called 'guarantees' do not remove the exposure. The only way for agencies to eliminate risk is to take direct responsibility for PAYE payments. As HMRC has said today: "It does not matter which party pays or how much each party pays as long as the amount is paid in full".

"Those who dismissed this as alarmist now have HMRC's own guidance proving otherwise. Recruiters need to prepare today for the realities of April 2026. Transparency and control must drive our approach - anything else risks serious financial consequences for agencies and damage to the wider market. Our narrative has been right all along, and this update underlines that."