

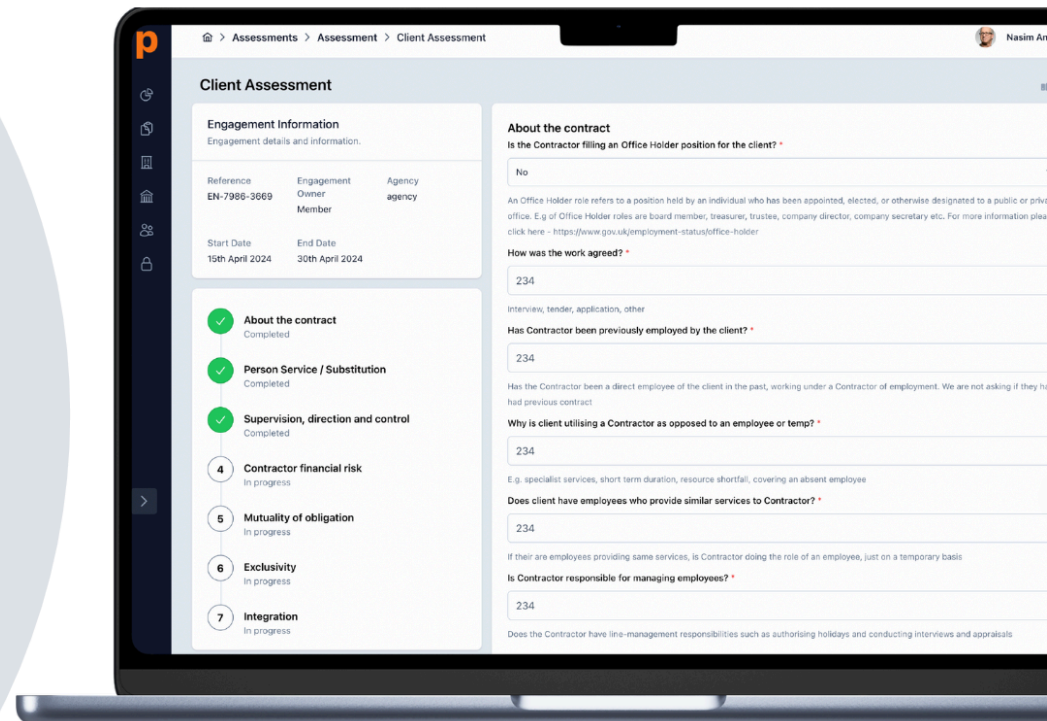
CoComply.

Seamlessly, accurately,
and fairly classifying the
world's workers.

IR35 and Worker Classification
Service Definition



May 2024



About CoComply

We comprehensively mitigate the risk and administrative burden of IR35 by running status determinations, contractual reviews and supply chain compliance, so clients can focus on their day job.

CoComply adapts to your processes and systems, without the need for you to adjust to ours.

CoComply's rapidly growing client base includes publicly-listed pharmaceutical and technology organisations, the world's largest gaming company, national sporting institutions, and renowned charities.

CoComply is unique...

In 2024, CoComply was recognised as one of the most innovative companies in both the UK and Europe, winning the prestigious UK government-funded Innovate UK award. CoComply is human-led and technology-agnostic powered by AI and ML to manage worker classification at scale.

In 2025, CoComply is anticipated to be one of the UK's fastest-growing companies.

IUK Smart Grant Winner 2024

Innovation Project Date: 1st April - 1st March 2025

- **CoComply** was awarded the highly prestigious Innovate UK Smart Grant Award in April 2024. The IUK Smart Grant Award is a highly competitive process and is awarded to fewer than 2% of thousands of the UK's most innovative applicants. Significant Public funds are granted to organisations demonstrating innovative technological solutions to significant global business or public issues at scale.
- **Innovation** - CoComply employs AI and LLMs to instantaneously analyse multiple data points, matching the precision of human legal experts, and delivering accurate classifications within seconds. Cutting-edge analytics enhance risk management, detail tax exposure, and cost savings and allow strategic data-based decisions to be made.
- **EDI** - Commitment to diversity, promotion of women-in-tech; Offset CO2 emissions by x 275k annually; Support the fair and accurate classification of workers and ensuring organisations treat workers fairly and operate in a compliant manner

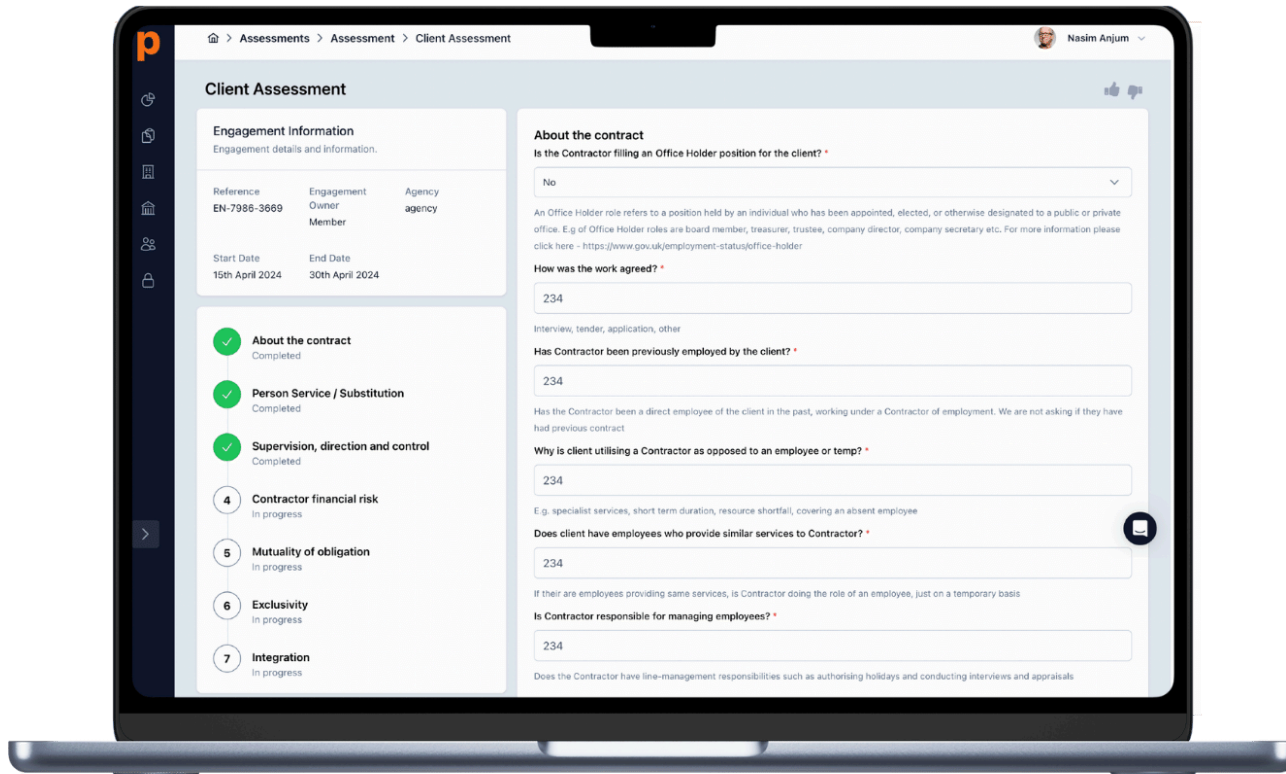
What opportunity does this present to customers and partners?

- Joint PR Opportunities
- Play a pivotal role in the development of advanced technical features
- Demonstrate unique innovation and significant business ROI to stakeholders and workers.

The IR35 and Worker Classification Problem

- Highly complex straddling multiple business functions
- Unsophisticated or manual solutions mean a choice between high-risk (off-payroll) or high-cost (on-payroll)
- Multi-jurisdictional requiring different approaches in different regions
- Frustrated contractors want fair and impartial classification, and the ability to work outside IR35 if they can and wish
- Digital forms can be easily manipulated. A lack of data means informed decisions cannot be made
- Class action from disgruntled workers who believe they have been misclassified
- Operational disruption and lengthy dispute periods
- Huge misclassification fines from regulators
- Reduced access to talented contractors

Seamless Worker Classification with CoComply



The screenshot shows the CoComply 'Client Assessment' interface. The top navigation bar includes a home icon, 'Assessments', 'Assessment', and 'Client Assessment'. A user profile 'Nasim Anjum' is in the top right. The main content area is titled 'Client Assessment' and features a sidebar on the left with a progress list: 'About the contract' (Completed), 'Person Service / Substitution' (Completed), 'Supervision, direction and control' (Completed), 'Contractor financial risk' (In progress), 'Mutuality of obligation' (In progress), 'Exclusivity' (In progress), and 'Integration' (In progress). The main panel is divided into two sections. The left section, 'Engagement Information', contains a table with fields: Reference (EN-7986-3669), Engagement Owner (Member), Agency (agency), Start Date (15th April 2024), and End Date (30th April 2024). The right section, 'About the contract', contains several questions with text input fields, each with the placeholder '234': 'Is the Contractor filling an Office Holder position for the client?', 'How was the work agreed?', 'Has Contractor been previously employed by the client?', 'Why is client utilising a Contractor as opposed to an employee or temp?', 'Does client have employees who provide similar services to Contractor?', and 'Is Contractor responsible for managing employees?'. A dropdown menu is shown for the first question with 'No' selected. A small chat icon is visible in the bottom right corner of the main panel.

Client Assessment

Engagement Information
Engagement details and information.

Reference	Engagement Owner	Agency
EN-7986-3669	Member	agency

Start Date: 15th April 2024
End Date: 30th April 2024

About the contract
Completed

Person Service / Substitution
Completed

Supervision, direction and control
Completed

Contractor financial risk
In progress

Mutuality of obligation
In progress

Exclusivity
In progress

Integration
In progress

About the contract
Is the Contractor filling an Office Holder position for the client? *

No

An Office Holder role refers to a position held by an individual who has been appointed, elected, or otherwise designated to a public or private office. E.g of Office Holder roles are board member, treasurer, trustee, company director, company secretary etc. For more information please click here - <https://www.gov.uk/employment-status/office-holder>

How was the work agreed? *

234

Interview, tender, application, other

Has Contractor been previously employed by the client? *

234

Has the Contractor been a direct employee of the client in the past, working under a Contractor of employment. We are not asking if they have had previous contract

Why is client utilising a Contractor as opposed to an employee or temp? *

234

E.g. specialist services, short term duration, resource shortfall, covering an absent employee

Does client have employees who provide similar services to Contractor? *

234

If their are employees providing same services, is Contractor doing the role of an employee, just on a temporary basis

Is Contractor responsible for managing employees? *

234

Does the Contractor have line-management responsibilities such as authorising holidays and conducting interviews and appraisals



Drive huge cost savings



ID hidden contractors



Rapid assessment result



Globally dynamic



Real-time reporting



Accurate

Step 1

Dynamic Set-Up

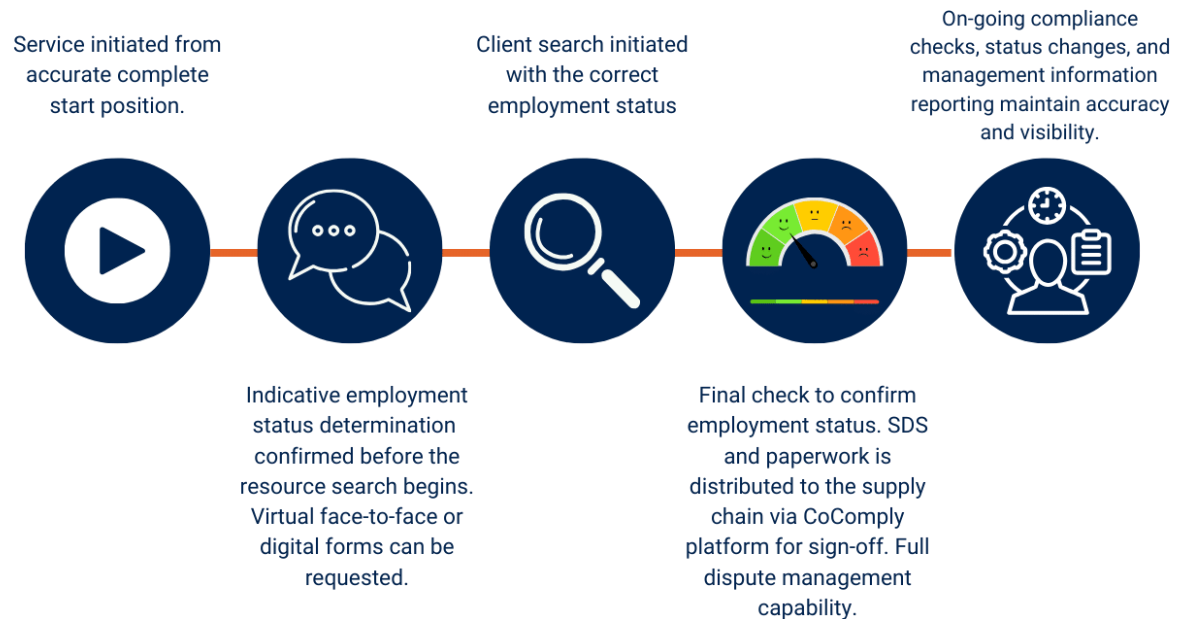
Discovery, Implementation, Migration



Step 2

Begin BAU process

Opt for a fully managed service, self-serve SaaS platform or blended service package



Assessments can be undertaken by CoComply or by using a 3rd party assessment tool (such as CEST). Data from a 3rd party assessment tool can be exported and analysed by the CoComply engine.

Seamless Worker Classification with CoComply

- Drive huge cost savings
- Rapid assessment result
- Identify hidden contractor populations
- Globally dynamic
- Accurate
- Real-time reporting

Exceptional On-Demand Service

- Client account managers have an SLA response time of 8 hours on technical compliance queries and typically respond in under 5 minutes for general queries.
- We support the re-engineering of roles where it is possible to do so compliantly, to support a 'Self-Employed' status
- We combine human expertise for quality service, with technology for scalability
- Weekly calls are scheduled to discuss any specific queries or questions clients may have

Real-Life Examples - Case Study

CoComply was selected by a global pharma firm with 100 active contractors to manage IR35. All roles were assessed and categorised. Three roles, whilst originally assessed as inside IR35, could be restructured as 'outside IR35' due to the nature of the critical working practices of the engagements. CoComply worked with the stakeholders to make the necessary changes and to provide comprehensive training, guidance, and ongoing checks.

Transformation Lead

2 year contract

Day Rate: £895.00

Tax & Rate Saved: £131,052.95

Master Data Consultant

9 months

Day Rate: £500.00

Tax & Rate Saved: £73,213.94

Market Access Lead

2 year contract

Day Rate: £1000.00

Tax & Rate Saved: £146,427.88

Total Client Savings
£350k +

ROI:
700%

Accurate classify and analyse your contingent workforce

Features

- Customised, comprehensive IR35 assessment and worker classification, with AI/ML-enhanced legal technology and live in-platform human-led interaction.
- Efficient management for on-payroll and off-payroll workforce, suitable for PSCs, sole traders, and LLPs.
- Behavioural analytics and ongoing automated checks to maintain accurate IR35 status and prevent manipulation.
- Easy migration to and scalability on the CoComply platform, with options for self-serve CEST and third-party SDS repositories.
- Real-time, detailed reporting on contractors, statuses, costs, and risks, including supply chain audits to uncover hidden headcount.
- Features regular updates for cutting-edge functionality, tax risk management, and HMRC enquiry reporting.
- Strategic engagement restructuring for maximum compliance and cost savings.

Benefits

- Pinpoint worker classification accuracy at scale
- Total visibility of risk and compliance reporting
- Significant reduction in IR35 risk and non-compliance
- Compliantly engage specialist contractor talent
- Increased control and oversight over your off-payroll workforce
- Increased confidence of status assurance with advanced prevention of system and IR35 status manipulation

Our Work - Global Pharmaceutical Company (client name on request)

Who are they?

Our client is a multinational, publicly listed pharmaceutical company that employs 20,000 people worldwide.

What was the problem?

The organisation has a significant population of PSC suppliers providing diverse service types, both directly to the company and via their MSP partner. The client profile is one of a highly regulated, prestigious organisation with an extremely low threshold for risk of non-compliance. They engage hundreds of contractors and sole trader workers in the UK. The client had executed groundwork in preparation for the April 2021 reforms and began looking for a partner that could support in the ongoing management of compliance, ensuring

it is maintained to the highest standards. The client was also conscious that compliance needed to be managed by genuine experts to meet the reasonable care requirements of HMRC, and lacked the internal subject matter expertise to meet this requirement at the required scale.

What we did.

Working with Procurement, Talent and Legal, and following an extensive and competitive procurement process, CoComply began to assess engagements that were currently positioned 'on-payroll' that met the initial threshold for 'off-payroll status'. These were then migrated to an off-payroll working framework with compliant policy, with working practices regularly assessed and managed by CoComply, resulting in significant savings for the business.

CoComply supported with an identification process of PSC workers and Sole Traders via the supply chain, taking a highly sensitive approach and ensuring that these suppliers were correctly identified as PSCs. Where the status was borderline, these PSCs are flagged for regular status checks.

Complex internal processes have been navigated, working with SAP Ariba PR, PO and CW references, tailoring the CoComply service and

documentation to ensure reference-ability and support on the RIM process. We also work with the client's global MSP partner.

Where 3rd party workers are supplying services as fully outsourced services, CoComply performs incremental checks on the workers, ensuring the status does not change resulting in the client becoming the end client in the supply chain and bearing OPW responsibility.

The client has its own internal training and process policy, co-created with input from CoComply.

CoComply continues to manage the Off-Payroll population of workers, ensuring ongoing compliance in line with regulations, with weekly contact with the procurement team and work directly with the Talent Acquisition Director.

Please email michael@cocomply.co.uk for further information.

Quote

"We are a complex business with multiple UK and international stakeholders. CoComply have been an invaluable partner in navigating the complexities of the Off-Payroll rules as we continue to support our valued off-payroll workers in delivering exceptional value to our business in a compliant manner"

Global Talent Acquisition Director

Results

- Reviewed and supported the restructuring of Off-Payroll working process and ongoing management
- Undertook hundreds of assessments and advised
- on and off-payroll status
- Re-engineered engagements and updated working practices where off-payroll working is possible in a compliant manner
- CoComply acts as the off-payroll compliance partner, dealing with regular queries, regular checks, ongoing training and reporting.
- CoComply acts as the off-payroll compliance partner, dealing with regular queries, regular checks, ongoing training and reporting.

Commvault

Commvault is an American publicly trading, data protection and data management software company, headquartered in Tinton Falls, New Jersey. Commvault enterprise software can be used for data backup and recovery, cloud and infrastructure management, retention and compliance.

They have 3000 employees globally, with a presence of around 250 employees in the UK.

What was the problem

Commvault wanted a proactive partner - CEST is inadequate and insurance-backed tools do not prevent an investigation from being initiated, something which Commvault were keen to prevent due to the time investment required for any response or defence.

Commvault has a population of around 20 contractors providing a range of different service types, via agencies and directly into the business. The Commvault culture and policy is described as 'risk averse'.

In preparation for the April 2021 reforms, and to mitigate any risk of reputational damage, tax liability, or arduous investigations, Commvault needed a root and branch review of policy, process and current off-payroll status of each PSC and worker. The additional challenge was that some of the contractor suppliers were business-critical and unlikely to want to operate on an 'Inside IR35' basis.

What we did.

Commvault had a population of around 30 UK PSC contractors / workers providing a range of different service types:

- Direct to Commvault via procurement / direct to line managers
- Agency Off-Payroll
- Agency On-Payroll
- Third Party workers via strategic providers or micro-consultancies

CoComply assessed all governance, policy, contracts and processes Commvault had in place, with consideration paid to the Beeline HR system in situ. Process and policy were updated, adapted and communicated to all stakeholders, third party suppliers and workers.

Critically, where there were critical contractors providing services, CoComply worked closely with line managers to re-engineer the engagements to make them compliant with an off-payroll status. This involved creating compliant SoWs that are regularly managed

and re-assessed, as well as training for both contractors and line managers to ensure strong understanding of off-payroll working and compliance.

QUOTE

"CoComply are the go to. Any issues or queries, they are immediately on-hand, they understand our business and process having supported us in implementing policy and keep a tight grip on our compliance. It has saved us thousands and given us confidence in engaging external workers"

Charlotte Dollery, HR Business Partner and Off-Payroll Lead

Results

- Commvault now has a seamless, robust IR35 and Worker Status working policy that is reportable and demonstrable to HMRC
- Re-engineered engagements, which would otherwise have been deemed 'on-payroll', has saved Commvault over £180,000 per year in unnecessary taxes HR has significantly reduced the feeling of exposure and confidence in worker classification that is reportable to board and public authority level.
- All workers and line managers have a significantly increased awareness of the Off-Payroll working policy.
- Proactive queries and checks by stakeholders to CoComply increased from close to zero to 20+ per quarter, preventing missteps
- Commvault is working with CoComply to roll out the policy to other international jurisdictions, such as the US.

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