



## **The Conduct of Employment Agencies and Employment Businesses Regulation 2003**

The Conduct of Employment Agencies and Employment Businesses Regulation 2003 also known as the “Conduct Regulations” were introduced to provide a minimum set of standards that must be adhered to when placing a work-seeker into a role in the UK.

The regulations were implemented to ensure recruitment companies treat both the work-seekers and clients fairly.

The Regulations cover -

- Information required from/given to the client and provided by/to the contractor.
- The contractual documentation which must be in place
- When a contractor must be paid; and
- When transfer fees can be charged to the client.

### **What protections do the regulations provide contractors?**

The Conduct Regulations can protect agency workers during an assignment and will ensure that:

- The agency will not restrict you from providing services directly to the client once the contract has terminated;
- You are paid by the agency for the work you have completed, even if the client does not pay them;
- The agency will not withhold payment from you in certain circumstances or for an unreasonable amount of time;
- You will be given a set of terms detailing essential aspects of the assignment, such as the contract length and rate of pay;
- You will not be charged for the agencies work-finding services.

### **What are the Advantages and Disadvantages of Opting out?**

If workers do decide to opt out, the agency is required to pay workers who are covered by the regulations even if they have not been paid; contractors who have opted out lose this protection. In addition, if a contractor has opted out, then the agency can use restrictive covenants that can potentially restrict the contractor from using a competing agency or going to a competitor of the client.

## **Opting Out?**

The Regulations permit individuals to opt-out of the regulations if they are working through a limited/umbrella company, and;

- Not working with people under the age of 18 or vulnerable persons
- If the above conditions cannot be satisfied (i.e for Social Workers), the regulations will automatically apply to an assignment.

If a work-seeker chooses to opt-out of the regulations, they must agree to do so before they are introduced to their end client hirer. Both the work-seeker and their Limited/Umbrella company must opt-out of the regulations together. The opt-out is ineffective if only one party opts out or if the work-seeker opts out after they have been introduced to the end client hirer.

A worker can also decide to opt back into the regulations if they choose to do so at a later date but they must give notice to their Employment Business (and their PSC/Umbrella) that it is their intention to do so. This opt in will then take effect at the start of your next assignment.