



# Corporation Tax Act 2010

## 2010 CHAPTER 4

### PART 13 U.K.

#### OTHER SPECIAL TYPES OF COMPANY ETC

### CHAPTER 9 U.K.

#### COMMUNITY AMATEUR SPORTS CLUBS

##### *Basic concepts*

#### 658 Meaning of “community amateur sports club” and “registered club” U.K.

[<sup>F1</sup>(1) A club is entitled to be registered as a community amateur sports club if [<sup>F2</sup>conditions A, B and C] are met.

(1A) Condition A is that the club is, and is required by its constitution to be, a club which—

- (a) is open to the whole community (see section 659),
- (b) is organised on an amateur basis (see section 660), and
- (c) has as its main purpose the provision of facilities for, and the promotion of participation in, one or more eligible sports (see [<sup>F3</sup>sections 660A and 661]).

(1B) Condition B is that the club meets—

- (a) the location condition (see section 661A), and
- (b) the management condition (see section 661B).]

[<sup>F4</sup>(1C) Condition C is that the club meets the income condition (see section 661CA).]

(2) A club may apply to an officer of Revenue and Customs to be registered as a community amateur sports club.

(3) The officer must register the club as a community amateur sports club if satisfied that the club is entitled to be registered.

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- (4) The officer—
- (a) may register the club with effect from such date as the officer may specify (which may be before the date of the application), and
  - (b) may cancel the club's registration with effect from such date as the officer may specify (which may be before the date of the decision to cancel it) if no longer satisfied that the club is entitled to be registered.
- (5) Her Majesty's Revenue and Customs may publish the names and addresses of registered clubs.
- (6) In this Chapter a “registered club” means a club which is for the time being registered as a community amateur sports club under this section.

#### Textual Amendments

- F1** S. 658(1)-(1B) substituted for s. 658(1) (retrospective to 6.4.2010) by [Finance Act 2012 \(c. 14\), s. 52\(1\)\(3\)](#)
- F2** Words in s. 658(1) substituted (1.4.2015) (with effect in accordance with reg. 1(3) of the amending S.I.) by [The Community Amateur Sports Clubs Regulations 2015 \(S.I. 2015/725\)](#), regs. 1(1), [3\(a\)](#)
- F3** Words in s. 658(1A)(c) substituted (retrospectively) by [Finance Act 2013 \(c. 29\)](#), Sch. 21 paras. 4, [9\(2\)](#) (with [Sch. 21 para. 10](#)); [S.I. 2015/674](#), [art. 2](#)
- F4** S. 658(1C) inserted (1.4.2015) (with effect in accordance with reg. 1(3) of the amending S.I.) by [The Community Amateur Sports Clubs Regulations 2015 \(S.I. 2015/725\)](#), regs. 1(1), [3\(b\)](#)

### 659 Meaning of “open to the whole community” U.K.

- (1) A club is “open to the whole community” for the purposes of section 658 if—
- (a) its membership is open to all without discrimination,
  - (b) its facilities are available to members without discrimination, and
  - <sup>[F5]</sup>(c) the costs associated with membership of the club for any year do not represent a significant obstacle to membership of the club, use of its facilities or full participation in its activities (see subsection (2A)).]
- (2) For the purposes of this section “discrimination” includes indirect discrimination and (in particular) includes discrimination on the grounds of—
- (a) ethnicity or nationality,
  - (b) religion or beliefs,
  - (c) sexual orientation, or
  - (d) sex, age or disability (except as a necessary consequence of the requirements of a particular sport).
- <sup>[F6]</sup>(2A) For the purposes of subsection (1)(c) the costs associated with membership of a club for any year represent a significant obstacle to membership of the club, use of its facilities or full participation in its activities if—
- (a) those costs exceed the amount specified for the year for the purposes of this subsection in regulations made by the Treasury, and
  - (b) the club has not made such arrangements as are necessary to secure that those costs do not represent such an obstacle.
- (2B) The Treasury may by regulations make provision supplementing subsection (2A), including—

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- (a) provision as to what constitutes full participation in a club's activities;
  - (b) provision as to costs that are, or are not, to be regarded as the costs associated with membership of a club;
  - (c) provision about calculating the amount of the costs associated with membership of a club for any year.
- (2C) The provision that may be made by regulations under this section includes—
- (a) different provision for different purposes, and
  - (b) provision having effect in relation to times before the regulations are made.
- (2D) Section 1171(4) (orders and regulations subject to negative resolution procedure) does not apply to any regulations made under this section if a draft of the statutory instrument containing them has been laid before, and approved by a resolution of, the House of Commons.]
- [<sup>F7</sup>(3) A club is not prevented from being “open to the whole community” for the purposes of section 658 merely because it charges different fees for different descriptions of person. ]

#### Textual Amendments

- F5** S. 659(1)(c) substituted (1.4.2010) by Finance Act 2013 (c. 29), Sch. 21 paras. 2(2), 9(2) (with Sch. 21 para. 10); S.I. 2015/674, art. 2
- F6** S. 659(2A)-(2D) inserted (1.4.2010) by Finance Act 2013 (c. 29), Sch. 21 paras. 2(3), 9 (with Sch. 21 para. 10); S.I. 2015/674, art. 2
- F7** S. 659(3) substituted (1.4.2010) by Finance Act 2013 (c. 29), Sch. 21 paras. 2(4), 9(2) (with Sch. 21 para. 10); S.I. 2015/674, art. 2

## 660 Meaning of “organised on an amateur basis” U.K.

- (1) A club is “organised on an amateur basis” for the purposes of section 658 if—
- (a) it is non-profit making (see subsections (2) and (3)),
  - (b) it provides for members and their guests only the ordinary benefits of an amateur sports club (see subsections (4) and (5)),<sup>F8</sup>...
- [<sup>F9</sup>(ba) it does not exceed the limit on paid players (see subsection (5A)), and]
- (c) its constitution provides for any net assets on its dissolution to be applied for approved sporting or charitable purposes (see subsections (6) and (7)).
- (2) A club is “non-profit making” for the purposes of subsection (1) if its constitution —
- (a) requires any surplus income or surplus gains to be reinvested in the club, and
  - (b) does not allow the distribution of any of its assets (in cash or in kind) to members or third parties.
- (3) A club is not prevented from being “non-profit making” for those purposes merely because it makes donations to charities or registered clubs.
- (4) [<sup>F10</sup>The following are “the ordinary benefits of an amateur sports club”] for the purposes of subsection (1)—
- (a) the provision of sporting facilities,
  - (b) the reasonable provision and maintenance of club-owned sports equipment,
  - (c) the provision of suitably qualified coaches,

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- (d) the provision, or reimbursement of the costs, of coaching courses,
- (e) the provision of insurance cover,
- (f) the provision of medical treatment,
- (g) the reimbursement of [<sup>F11</sup>necessary and reasonable] travel [<sup>F12</sup>or subsistence] expenses incurred by [<sup>F13</sup>players, match officials, coaches, first-aiders and accompanying individuals][<sup>F14</sup>in connection with away matches],
- (h) the reasonable provision of post-match refreshments for players and match officials, and
- (i) the sale or supply of food or drink as a social benefit which arises incidentally from the sporting purposes of the club.

[<sup>F15</sup>(4A) In subsection (4)(g)—

- (a) “subsistence expenses” means expenses on food, drink and temporary living accommodation,
- (b) an “accompanying individual” means an individual accompanying a person who—
  - (i) has a disability for the purposes of the Equality Act 2010, and
  - (ii) is a player or match official.]

(5) A club is not prevented from providing for members and their guests only the ordinary benefits of an amateur sports club for the purposes of subsection (1) merely because—

- (a) a member supplies goods or services to the club on an arm's length basis, or
- (b) the club employs members of the club on an arm's length basis.

[<sup>F16</sup>(5A) A club does not exceed the limit on paid players for the purposes of subsection (1) if—

- (a) the number of persons paid to play for the club does not at any time exceed the specified maximum,
- (b) the number of such persons in any year does not exceed the specified maximum for that year,
- (c) the amount paid to any such person in any year in respect of activities undertaken for the club does not exceed the specified maximum for that year, and
- (d) the total amount paid to such persons in any year in respect of activities undertaken for the club does not exceed the specified maximum for that year.

“Specified ” means specified in regulations made by the Treasury.

(5B) The Treasury may by regulations make provision supplementing subsection (5A), including—

- (a) provision as when a person is, or is not, to be regarded as a person paid to play for a club, and
- (b) provision about calculating for the purposes of subsection (5A) the amount paid to such a person.]

(6) In relation to any club, the following are “sporting or charitable purposes” for the purposes of subsection (1)—

- (a) the purposes of the governing body of an eligible sport for the purposes of which the club existed, for use in related community sport,
- (b) the purposes of another registered club, and
- (c) the purposes of a charity.

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- (7) Purposes of a club are “approved” sporting or charitable purposes for the purposes of subsection (1) if they are approved by—
- (a) the members of the club in general meeting, or
  - (b) the members of the club's governing body.
- [<sup>F17</sup>(8) The Treasury may by regulations make further provision as to when a club is “organised on an amateur basis” for the purposes of section 658.
- (9) The provision that may be made by regulations under subsection (8) includes—
- (a) provision as to the conditions which a club must meet in order to be “organised on an amateur basis” for the purposes of section 658;
  - (b) provision as to what are, or are not, to be regarded as “ordinary benefits of an amateur sports club” for the purposes of subsection (1);
  - (c) provision about persons who are, or are not, to be regarded as guests of a member of a club for the purposes of subsection (1).
- (10) Regulations made under subsection (8) may amend this section or make other amendments to this Chapter.
- (11) A statutory instrument that contains (whether alone or with other provisions) regulations under subsection (8) that amend this section or make other amendments to this Chapter may not be made unless a draft of the instrument has been laid before, and approved by a resolution of, the House of Commons.]
- [<sup>F18</sup>(12) The provision that may be made by regulations under this section includes—
- (a) different provision for different purposes, and
  - (b) provision having effect in relation to times before the regulations are made.
- (13) Section 1171(4) (orders and regulations subject to negative resolution procedure) does not apply to any regulations made under this section if a draft of the statutory instrument containing them has been laid before, and approved by a resolution of, the House of Commons.]

#### Textual Amendments

- F8** Word in s. 660(1)(b) omitted (1.4.2010) by virtue of [Finance Act 2013 \(c. 29\)](#), [Sch. 21 paras. 3\(2\), 9\(2\)](#) (with [Sch. 21 para. 10](#)); [S.I. 2015/674](#), art. 2
- F9** S. 660(1)(ba) inserted (1.4.2010) by [Finance Act 2013 \(c. 29\)](#), [Sch. 21 paras. 3\(2\), 9\(2\)](#) (with [Sch. 21 para. 10](#)); [S.I. 2015/674](#), art. 2
- F10** Words in s. 660(4) substituted (1.4.2015) (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Community Amateur Sports Clubs Regulations 2015 \(S.I. 2015/725\)](#), regs. 1(1), [10\(2\)](#)
- F11** Words in s. 660(4)(g) substituted (1.4.2015) (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Community Amateur Sports Clubs Regulations 2015 \(S.I. 2015/725\)](#), regs. 1(1), [10\(3\)\(a\)](#)
- F12** Words in s. 660(4)(g) inserted (1.4.2010) by [Finance Act 2013 \(c. 29\)](#), [Sch. 21 paras. 3\(3\)\(a\), 9\(2\)](#) (with [Sch. 21 para. 10](#)); [S.I. 2015/674](#), art. 2
- F13** Words in s. 660(4)(g) substituted (1.4.2015) (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Community Amateur Sports Clubs Regulations 2015 \(S.I. 2015/725\)](#), regs. 1(1), [10\(3\)\(b\)](#)
- F14** Words in s. 660(4)(g) substituted (1.4.2010) by [Finance Act 2013 \(c. 29\)](#), [Sch. 21 paras. 3\(3\)\(b\), 9\(2\)](#) (with [Sch. 21 para. 10](#)); [S.I. 2015/674](#), art. 2
- F15** S. 660(4A) substituted (1.4.2015) (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Community Amateur Sports Clubs Regulations 2015 \(S.I. 2015/725\)](#), regs. 1(1), [10\(4\)](#)
- F16** S. 660(5A)(5B) inserted (1.4.2010) by [Finance Act 2013 \(c. 29\)](#), [Sch. 21 paras. 3\(5\), 9](#) (with [Sch. 21 para. 10](#)); [S.I. 2015/674](#), art. 2

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- F17** S. 660(8)-(11) inserted (1.4.2010) by [Finance Act 2013 \(c. 29\)](#), [Sch. 21 paras. 3\(6\), 9](#) (with [Sch. 21 para. 10](#)); [S.I. 2015/674](#), art. 2
- F18** S. 660(12)(13) inserted (1.4.2010) by [Finance Act 2013 \(c. 29\)](#), [Sch. 21 paras. 3\(7\), 9](#) (with [Sch. 21 para. 10](#)); [S.I. 2015/674](#), art. 2

**[<sup>F19</sup>660A Clubs consisting mainly of social members U.K.]**

- (1) A club is not to be regarded as a club that has as its main purpose the provision of facilities for, and the promotion of participation in, one or more eligible sports if the percentage of its members who are social members exceeds the percentage specified for the purposes of this section in regulations made by the Treasury.
- (2) A member is a “social member” for the purposes of this section if the member does not participate, or participates only occasionally, in the sporting activities of the club.
- (3) The Treasury may by regulations make provision—
  - (a) as to activities that are, or are not, to be regarded as “sporting activities” of a club;
  - (b) as to the circumstances in which a member of a club is, or is not, to be regarded as participating in the sporting activities of the club;
  - (c) as to the circumstances in which a member of a club is, or is not, to be regarded as participating only occasionally in those activities.
- (4) The provision that may be made by regulations under this section includes—
  - (a) different provision for different purposes, and
  - (b) provision having effect in relation to times before the regulations are made.
- (5) Section 1171(4) (orders and regulations subject to negative resolution procedure) does not apply to any regulations made under this section if a draft of the statutory instrument containing them has been laid before, and approved by a resolution of, the House of Commons.]

**Textual Amendments**

- F19** S. 660A inserted (1.4.2010) by [Finance Act 2013 \(c. 29\)](#), [Sch. 21 paras. 5, 9](#) (with [Sch. 21 para. 10](#)); [S.I. 2015/674](#), art. 2

**661 Meaning of “eligible sport”, “qualifying purposes” etc U.K.**

- (1) For the purposes of this Chapter “eligible sport” means a sport which is designated for those purposes by an order made by the Treasury.
- (2) An order under this section may designate a sport by reference to its inclusion in a list maintained by a body specified in the order.
- (3) For the purposes of this Chapter “qualifying purposes” means—
  - (a) the purpose of providing facilities for one or more eligible sports, and
  - (b) the purpose of promoting participation in one or more eligible sports.
- (4) For the purposes of this Chapter “non-qualifying purposes” means purposes which are not qualifying purposes.

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(5) For the purposes of this Chapter “non-qualifying expenditure” means expenditure which is incurred for non-qualifying purposes.

**[<sup>F20</sup>661A The location condition U.K.]**

- (1) A club meets the location condition for the purposes of section 658 if—
- (a) it is established in [<sup>F21</sup>the United Kingdom]<sup>F22</sup>..., and
  - (b) the facilities that it provides for eligible sports are all located in [<sup>F23</sup>the United Kingdom<sup>F24</sup>...].

<sup>F25</sup>(2) .....

**Textual Amendments**

- F20** Ss. 661A-661C inserted (retrospective to 6.4.2010) by Finance Act 2010 (c. 13), Sch. 6 paras. 32, 35
- F21** Words in s. 661A(1)(a) substituted (31.12.2020) by The Taxes (Amendments) (EU Exit) Regulations 2019 (S.I. 2019/689), regs. 1, 17(9)(a)(i) (with regs. 39-41); 2020 c. 1, Sch. 5 para. 1(1)
- F22** Words in s. 661A(1)(a) omitted (with effect in accordance with s. 345(2)-(6) of the amending Act) by virtue of Finance (No. 2) Act 2023 (c. 30), s. 345(1)(a)(i)
- F23** Words in s. 661A(1)(b) substituted (31.12.2020) by The Taxes (Amendments) (EU Exit) Regulations 2019 (S.I. 2019/689), regs. 1, 17(9)(a)(ii) (with regs. 39-41); 2020 c. 1, Sch. 5 para. 1(1)
- F24** Words in s. 661A(1)(b) omitted (with effect in accordance with s. 345(2)-(6) of the amending Act) by virtue of Finance (No. 2) Act 2023 (c. 30), s. 345(1)(a)(ii)
- F25** S. 661A(2) omitted (with effect in accordance with s. 345(2)-(6) of the amending Act) by virtue of Finance (No. 2) Act 2023 (c. 30), s. 345(1)(b)

**661B The management condition U.K.]**

- (1) A club meets the management condition for the purposes of section 658 if its managers are fit and proper persons to be managers of the club.
- (2) In this paragraph “managers”, in relation to a club, means the persons having the general control and management of the administration of the club.

**Textual Amendments**

- F20** Ss. 661A-661C inserted (retrospective to 6.4.2010) by Finance Act 2010 (c. 13), Sch. 6 paras. 32, 35

**661C Periods over which management condition treated as met U.K.]**

- (1) This paragraph applies in relation to any period throughout which the management condition is not met.
- (2) The management condition is treated as met throughout the period if the Commissioners for Her Majesty's Revenue and Customs consider that—
- (a) the failure to meet the management condition has not prejudiced the purposes of the club, or
  - (b) it is just and reasonable in all the circumstances for the condition to be treated as met throughout the period.]

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#### Textual Amendments

**F20** Ss. 661A-661C inserted (retrospective to 6.4.2010) by [Finance Act 2010 \(c. 13\)](#), [Sch. 6 paras. 32, 35](#)

### [<sup>F26</sup> **661CA** **The income condition** **U.K.**

- (1) A club meets the income condition for the purposes of section 658 if the sum of—
- (a) the receipts brought into account in calculating the club’s trading income (“trading receipts”), and
  - (b) the receipts brought into account in calculating the club’s property income (“property receipts”),
- does not exceed the relevant threshold.
- (2) For the purposes of subsection (1), any exemption under section 662 (exemption for UK trading income) or 663 (exemption for UK property income) is to be ignored.
- (3) For the purposes of subsection (1), if in an accounting period (“period A”) a club becomes, or ceases to be, registered then—
- (a) the part of period A in which the club is registered is to be treated as a separate accounting period from the remainder of that period, and
  - (b) the club’s trading receipts and property receipts for period A must be apportioned between those periods.
- (4) In this section—
- “property income” means income of a UK property business or an overseas property business,
- “the relevant threshold” means—
- (a) £100,000 in the case of an accounting period which is 12 months, and
  - (b) a proportionally reduced amount in the case of a shorter accounting period, and
- “trading income” means profits which, if chargeable to corporation tax, would be chargeable under Chapter 2 of Part 3 of CTA 2009 and are—
- (a) profits of a trade, or
  - (b) profits of an activity other than a trade,
- whether or not that trade or activity is carried on wholly or partly in the United Kingdom.]

#### Textual Amendments

**F26** [S. 661CA](#) inserted (1.4.2015) (with effect in accordance with reg. 1(3) of the amending S.I.) by [The Community Amateur Sports Clubs Regulations 2015 \(S.I. 2015/725\)](#), [regs. 1\(1\), 4](#)

*[<sup>F27</sup> Gifts <sup>F28</sup> ... relief*

#### Textual Amendments

**F27** [S. 661D](#) and cross-heading inserted (with effect in accordance with [Sch. 15 para. 17\(2\)](#) of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [Sch. 15 para. 6](#)



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**F28** Words in s. 661D cross-heading omitted (with effect in accordance with s. 35(13) of the amending Act) by virtue of [Finance Act 2014 \(c. 26\), s. 35\(12\)\(a\)](#)

## **661D Tax treatment of gifts qualifying for gift aid relief** **U.K.**

- (1) This section applies if a gift is made to a registered club by an individual and the gift is a qualifying donation for the purposes of Chapter 2 of Part 8 of ITA 2007 (gift aid).
- (2) The club is treated as receiving, under deduction of income tax at the basic rate for the tax year in which the gift is made, a gift of an amount equal to the grossed up amount of the gift.
- (3) The income tax treated as deducted is treated as income tax paid by the club.
- (4) The grossed up amount of the gift is treated as an amount in respect of which the club is chargeable to corporation tax, under the charge to corporation tax on income.  
But this is subject to section 664 (exemption for interest and gift aid income).
- (5) References in this section to the grossed up amount of the gift are to the amount of the gift grossed up by reference to the basic rate for the tax year in which the gift is made.]

## **[<sup>F29</sup>661E Tax treatment of gifts of money from companies** **U.K.**

If a registered club receives a gift of a sum of money from a company which is not a charity, the gift is treated as an amount in respect of which the registered club is chargeable to corporation tax, under the charge to corporation tax on income.]

### **Textual Amendments**

**F29** S. 661E inserted (with effect in accordance with s. 35(13) of the amending Act) by [Finance Act 2014 \(c. 26\), s. 35\(9\)](#)

## *Exemptions*

## **662 Exemption for UK trading income** **U.K.**

- (1) A club which is a registered club throughout an accounting period may make a claim for its UK trading income for that period to be exempt from corporation tax if conditions A and B are met.
- (2) Condition A is that the receipts which would (but for this section) be brought into account in calculating the club's UK trading income for that period do not exceed the relevant threshold.
- (3) Condition B is that the whole of its UK trading income for that period is applied for qualifying purposes.
- (4) If a club is a registered club for only part of an accounting period, this section has effect as if—
  - (a) that part were a separate accounting period, and
  - (b) the club's UK trading income and receipts for that separate accounting period were proportionately reduced.

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- (5) In this section “the relevant threshold” means—
- (a) [<sup>F30</sup>£50,000] in the case of an accounting period which is 12 months, and
  - (b) a proportionately reduced figure in the case of a shorter accounting period.
- [<sup>F31</sup>(5A) The Treasury may by order amend the figure for the time being specified as the relevant threshold in subsection (5)(a).
- (5B) A statutory instrument containing an order under subsection (5A) that amends that figure so as to substitute a lower figure may not be made unless a draft of the instrument has been laid before, and approved by a resolution of, the House of Commons.]
- (6) In this section “UK trading income” means profits that (apart from this section) are chargeable under Chapter 2 of Part 3 of CTA 2009 and are—
- (a) profits of a trade carried on wholly or partly in the United Kingdom, or
  - (b) profits of an activity other than a trade.

#### Textual Amendments

- F30** Word in s. 662(5)(a) substituted (1.4.2015) (with effect in accordance with art. 1(2)(3) of the amending S.I.) by [The Community Amateur Sports Clubs \(Exemptions\) Order 2014 \(S.I. 2014/3327\)](#), arts. 1(1), 2
- F31** S. 662(5A)(5B) inserted (1.4.2010) by [Finance Act 2013 \(c. 29\)](#), [Sch. 21 paras. 6, 9](#) (with [Sch. 21 para. 10](#)); [S.I. 2015/674](#), art. 2

### 663 Exemption for UK property income **U.K.**

- (1) A club which is a registered club throughout an accounting period may make a claim for its UK property income for that period to be exempt from corporation tax if conditions A and B are met.
  - (2) Condition A is that the receipts which would (but for this section) be brought into account in calculating the club's UK property income for that period do not exceed the relevant threshold.
  - (3) Condition B is that the whole of its UK property income for that period is applied for qualifying purposes.
  - (4) If a club is a registered club for only part of an accounting period, this section has effect as if—
    - (a) that part were a separate accounting period, and
    - (b) the club's UK property income and receipts for that separate accounting period were proportionately reduced.
  - (5) In this section “the relevant threshold” means—
    - (a) [<sup>F32</sup>£30,000] in the case of an accounting period which is 12 months, and
    - (b) a proportionately reduced figure in the case of a shorter accounting period.
- [<sup>F33</sup>(5A) The Treasury may by order amend the figure for the time being specified as the relevant threshold in subsection (5)(a).
- (5B) A statutory instrument containing an order under subsection (5A) that amends that figure so as to substitute a lower figure may not be made unless a draft of the instrument has been laid before, and approved by a resolution of, the House of Commons.]

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- (6) In this section “UK property income” means income of a UK property business which would (but for this section) be chargeable under Chapter 3 of Part 4 of CTA 2009.

#### Textual Amendments

- F32** Word in s. 663(5)(a) substituted (1.4.2015) (with effect in accordance with art. 1(2)(3) of the amending S.I.) by [The Community Amateur Sports Clubs \(Exemptions\) Order 2014 \(S.I. 2014/3327\)](#), arts. 1(1), 3
- F33** S. 663(5A)(5B) inserted (1.4.2010) by [Finance Act 2013 \(c. 29\)](#), [Sch. 21 paras. 7, 9](#) (with [Sch. 21 para. 10](#)); [S.I. 2015/674](#), art. 2

### 664 Exemption for interest [<sup>F34</sup>, gift aid and company gift] income **U.K.**

- (1) A club which is a registered club throughout an accounting period may make a claim for—
- its interest income for that period, <sup>F35</sup>...
  - its gift aid income for that period,  
<sup>F36</sup>, and
  - its company gift income for that period,]
- to be exempt from corporation tax if the whole of that interest income [<sup>F37</sup>, gift aid income and company gift income] is applied for qualifying purposes.
- (2) If a club is a registered club for only part of an accounting period, this section has effect as if—
- that part were a separate accounting period, and
  - the club's interest income for that separate accounting period were proportionately reduced.
- (3) In this section—
- <sup>F38</sup>“company gift income”, in relation to a club, means gifts of money made to the club by companies which are not charities,]
- “interest income”, in relation to a club, means interest arising to the club that is not brought into account under section 297 of CTA 2009 (trading credits and debits brought into account under Part 3 of that Act as trading income), and
- “interest income”, in relation to a club, means interest arising to the club that is not brought into account under section 297 of CTA 2009 (trading credits and debits brought into account under Part 3 of that Act as trading income), and
- “interest income”, in relation to a club, means interest arising to the club that is not brought into account under section 297 of CTA 2009 (trading credits and debits brought into account under Part 3 of that Act as trading income), and
- “interest income”, in relation to a club, means interest arising to the club that is not brought into account under section 297 of CTA 2009 (trading credits and debits brought into account under Part 3 of that Act as trading income), and

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“gift aid income”, in relation to a club, means gifts made by individuals to the club which are qualifying donations for the purposes of Chapter 2 of Part 8 of ITA 2007 (gift aid).

#### Textual Amendments

- F34** Words in s. 664 heading substituted (with effect in accordance with s. 35(13) of the amending Act) by [Finance Act 2014 \(c. 26\), s. 35\(12\)\(b\)](#)
- F35** Word in s. 664(1) omitted (with effect in accordance with s. 35(13) of the amending Act) by virtue of [Finance Act 2014 \(c. 26\), s. 35\(10\)\(a\)](#)
- F36** S. 664(1)(c) and word inserted (with effect in accordance with s. 35(13) of the amending Act) by [Finance Act 2014 \(c. 26\), s. 35\(10\)\(a\)](#)
- F37** Words in s. 664(1) substituted (with effect in accordance with s. 35(13) of the amending Act) by [Finance Act 2014 \(c. 26\), s. 35\(10\)\(b\)](#)
- F38** Words in s. 664(3) inserted (with effect in accordance with s. 35(13) of the amending Act) by [Finance Act 2014 \(c. 26\), s. 35\(10\)\(c\)](#)

### 665 Exemption for chargeable gains **U.K.**

A registered club to which a gain accrues may make a claim for the gain not to be a chargeable gain for the purposes of TCGA 1992 if the whole of it is applied for qualifying purposes.

#### *F<sup>39</sup> Claims*

#### Textual Amendments

- F39** S. 665A and cross-heading inserted (retrospective to 8.4.2010) by [Finance Act 2012 \(c. 14\), Sch. 15 paras. 7, 17\(1\)](#)

### 665A Claims in relation to interest [<sup>F40</sup>, gift aid and company gift] income **U.K.**

- (1) This section applies to—
  - (a) claims for repayment of income tax treated as having been paid by virtue of section 661D (tax treatment of gifts qualifying for gift aid relief),
  - (b) claims for amounts to be exempt from tax by virtue of section 664 (exemption for interest [<sup>F41</sup>, gift aid and company gift] income), and
  - (c) claims for repayment of income tax deducted at source from interest income (within the meaning of that section) which is exempt from tax by virtue of that section.
- (2) A claim to which this section applies may be made—
  - (a) to an officer of Revenue and Customs, or
  - (b) by being included in the claimant's company tax return.
- (3) In this section—
  - “ free-standing claim ” means a claim made as mentioned in subsection (2) (a), and
  - “ tax return claim ” means a claim made as mentioned in subsection (2)(b).

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- (4) The Commissioners for Her Majesty's Revenue and Customs may by regulations make provision—
- (a) limiting the number of free-standing claims that may be made by a person in a tax year, or
  - (b) requiring a claim for an amount below an amount specified in the regulations to be made as a tax return claim.
- (5) The regulations may make different provision for different cases or purposes.]

#### Textual Amendments

- F40** Words in s. 665A heading substituted (with effect in accordance with s. 35(13) of the amending Act) by [Finance Act 2014 \(c. 26\), s. 35\(12\)\(c\)](#)
- F41** Words in s. 665A(1)(b) substituted (with effect in accordance with s. 35(13) of the amending Act) by [Finance Act 2014 \(c. 26\), s. 35\(11\)](#)

#### *Restrictions on exemptions*

### 666 Exemptions reduced if non-qualifying expenditure incurred **U.K.**

- (1) This section applies if—
- (a) a registered club has relevant income or relevant gains for an accounting period (“the accounting period in question”), and
  - (b) the club incurs non-qualifying expenditure in that period.
- (2) For the purposes of this section—
- “relevant income”, in relation to an accounting period, means income which is exempt under this Chapter for that period (ignoring the effect of the following provisions of this section),
- “relevant gains”, in relation to an accounting period, means gains which are not chargeable gains under this Chapter for the purposes of TCGA 1992 for that period (ignoring the effect of the following provisions of this section), and
- “income receipts and chargeable gains”, in relation to an accounting period, means the sum of the club's income receipts for that period (whether or not chargeable to tax) and its chargeable gains for the purposes of TCGA 1992 for that period (ignoring the effect of section 665).
- (3) If the amount of the non-qualifying expenditure in the accounting period in question is less than the amount of the income receipts and chargeable gains for that period, there is a reduction in the amount of relief given under this Chapter.
- (4) The total amount of the relevant income and relevant gains for that period exempted under this Chapter is reduced by the amount found by the appropriate fraction.
- (5) This is the appropriate fraction—

$$\text{RIRG} \times \frac{\text{NQE}}{\text{IRCG}}$$

where—

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“RIRG” means the total amount of the relevant income and relevant gains for that period,

“NQE” means the amount of the non-qualifying expenditure in that period, and

“IRCG” means the income receipts and chargeable gains for that period.

- (6) If the amount of the non-qualifying expenditure in the accounting period in question is at least equal to the amount of the income receipts and chargeable gains for that period, the exemptions under this Chapter—
  - (a) do not apply, and
  - (b) are treated as never having applied,
 to any of the relevant income or relevant gains for that period.
- (7) If the amount of the non-qualifying expenditure in the accounting period in question is greater than the amount of the income receipts and chargeable gains for that period, there is a reduction in the amount of relief given under this Chapter for previous accounting periods.
- (8) The total amount of the relevant income and relevant gains for previous accounting periods exempted under this Chapter is reduced (but not below nil) by the surplus amount.
- (9) The surplus amount is the amount by which the amount found by the appropriate fraction exceeds the total amount of the relevant income and relevant gains for the accounting period in question.

#### **667 Rules for attributing surplus amount to earlier periods etc** U.K.

- (1) This section supplements section 666.
- (2) An amount exempted under this Chapter for an earlier accounting period is reduced by the surplus amount only if that earlier accounting period ends not more than 6 years before the end of the accounting period in question.
- (3) If the condition in subsection (2) is met in the case of more than one earlier accounting period, amounts exempted under this Chapter for later accounting periods are reduced in priority to earlier ones.
- (4) If an amount exempted under this Chapter has been reduced under section 666 in respect of non-qualifying expenditure incurred in an accounting period, it may not be reduced again under that section in respect of non-qualifying expenditure incurred in a later accounting period.
- (5) Such adjustments must be made (whether by way of the making of assessments or otherwise) as may be required in consequence of section 666(7).

#### **668 How income and gains are attributed** U.K.

- (1) A registered club may specify the income and gains to be reduced (in whole or in part) as a result of section 666.
- (2) A specification under subsection (1) is made by notice to an officer of Revenue and Customs.
- (3) Subsection (5) applies if—

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- (a) an officer of Revenue and Customs requires the club to make a specification under this section, and
  - (b) the club has not given notice under subsection (2) of the specification before the end of the required period.
- (4) The required period is 30 days beginning with the day on which the officer made the requirement.
- (5) An officer of Revenue and Customs may determine the income and gains to be reduced (in whole or in part).

#### *Deemed disposal and acquisition of asset*

### **669 Asset ceasing to be held for qualifying purposes etc U.K.**

- (1) This section applies if a club holds any asset (within the meaning of TCGA 1992) and, without disposing of it (within the meaning of that Act)—
  - (a) the club ceases to be a registered club, or
  - (b) the club ceases to hold the asset for qualifying purposes.
- (2) The club is treated for the purposes of TCGA 1992 as disposing of, and immediately reacquiring, the asset at the time of the cessation for a consideration equal to its market value at that time.
- (3) The exemption under section 665 does not apply to any gain accruing on that deemed disposal.
- (4) So far as any of the asset represents (directly or indirectly) the consideration for a disposal of any other asset by the club, the exemption under that section does not apply, and is treated as never having applied, to any gain accruing on that disposal of that other asset.
- (5) Such adjustments must be made (whether by way of the making of assessments or otherwise) as may be required in consequence of this section.
- (6) But an assessment in respect of a chargeable gain accruing as a result of this section may not be made more than 3 years after the end of the accounting period in which the cessation in question occurred.

#### *Decisions and appeals*

### **670 Notification of HMRC decision U.K.**

An officer of Revenue and Customs must notify the club of any decision—

- (a) to register it as a registered club,
- (b) to refuse to register it as a registered club, or
- (c) to cancel its registration.

### **671 Appeals U.K.**

- (1) A club may appeal against a decision of any officer of Revenue and Customs in relation to its application, or registration, as a registered club.

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- (2) Notice of the appeal must be given in writing to an officer of Revenue and Customs within 30 days of the date of the notification under section 670.
- (3) The notice must specify the grounds of the appeal.
- (4) If the appeal is against a refusal to register the club, or a decision to register it with effect from a particular date, the tribunal may (if not dismissing the appeal)—
  - (a) direct that the club is to be registered with effect from a specified date, or
  - (b) send the matter back to any officer of Revenue and Customs for reconsideration.
- (5) If the appeal is against a decision to cancel the registration of the club, or to do so with effect from a particular date, the tribunal may (if not dismissing the appeal)—
  - (a) revoke the cancellation,
  - (b) direct that the cancellation is to have effect from a specified date, or
  - (c) send the matter back to any officer of Revenue and Customs for reconsideration.
- (6) The provisions of TMA 1970 relating to appeals under the Taxes Acts (within the meaning of TMA 1970) apply to an appeal under this section as they apply to those appeals.



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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 357CHA omitted by [2024 c. 3 Sch. 2 para. 14\(7\)](#)
- s. 658(1)(d)(e) inserted by [2010 c. 13 Sch. 6 para. 31](#) (This amendment not applied to [legislation.gov.uk](#). Sch. 6 para. 31 omitted (retrospective to 6.4.2010) by virtue of Finance Act 2012 (c. 14), s. 52(2) (3))