
EXPLANATORY NOTE

(This note is not part of the Regulations)

A sports club may be registered by HMRC as a Community Amateur Sports Club (CASC) provided it meets certain conditions. These Regulations make further provision about those conditions. CASCs benefit from a number of tax reliefs, including an exemption from tax on certain income and gains (provided the club uses the income and gains for qualifying purposes), Gift Aid and non-domestic rates relief.

Regulations 2, 3 and 4 amend Chapter 9 of Part 13 of the Corporation Tax Act 2010 (c. 4) (“the CTA 2010”) to introduce a new condition restricting the amount of trading and property income a club can receive. These regulations are to be treated as having effect on or after 1st April 2010. The power to make provision having effect in relation to times before the Regulations are made is contained in paragraph 8(3)(c) of Schedule 21 to the Finance Act 2013 (c.29).

Regulations 5 to 9 make provision about the costs associated with membership of a club and membership fees. Regulations 5 and 7 to 9 are to be treated as having effect on or after 1st April 2010. The power to make provision having effect in relation to times before the Regulations are made is contained in section 659(2C)(b) of the CTA 2010.

Regulation 10 makes minor amends to section 660 of the CTA 2010 which sets out when a club is “organised on an amateur basis” for the purposes of section 658.

Regulations 11 to 13 make provision about the total amount a club may pay to persons paid to play for the club in any year and are treated as having effect on or after 1st April 2010. The power to make provision having effect in relation to times before the Regulations are made is contained in section 660(12)(b) of the CTA 2010.

Regulation 14 makes provision about travel and subsistence expenses for the purposes of section 660(4)(g) of the CTA 2010.

Regulations 15 to 19 make provision about when 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 because the percentage of its members who are social members exceeds a specified percentage. Regulation 15 provides that the specified percentage of social members for the purposes of section 660A(1) of the CTA 2010 is 50%. Regulation 16 makes provision about the circumstances in which a member is to be regarded as participating in the sporting activities of a club and regulation 17 defines what is meant by occasional participation. Regulations 18 and 19 provide for apportionment of the participation threshold in regulation 17 where a person is a member of a club for only part of an accounting period or a club is only open for part of an accounting period. Where a club chooses to apportion the participation threshold in accordance with regulation 19, the limits on costs associated with membership and membership fees in regulations 5(1) and 6 are reduced by reference to the number of weeks the club is open. Regulations 15 to 19 are to be treated as having effect on or after 1st April 2010. The power to make provision having effect in relation to times before the Regulations are made is contained in section 660A(4)(b) of the CTA 2010.

A Tax Information and Impact Note covering this instrument will be published online at <http://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins>.