



National Insurance Contributions Act 2011

2011 CHAPTER 3

PART 2

REGIONAL SECONDARY CONTRIBUTIONS HOLIDAY FOR NEW BUSINESSES

5 Starting a new business

- (1) P “starts” a new business when P begins to carry on a new business.
- (2) A business is not a “new” business if—
 - (a) P has, at any time during the period of 6 months ending with the time when P begins to carry it on, carried on another business consisting of the activities of which the business consists (or most of them), or
 - (b) P carries it on as a result of a transfer (within the meaning of subsection (3)).
- (3) P carries on a business as a result of a transfer if P begins to carry on the business on another person ceasing to carry on the activities of which it consists (or most of them) in consequence of arrangements involving P and the other person.
- (4) For the purposes of subsection (3) P is to be taken to begin to carry on a business on another person ceasing to carry on such activities if—
 - (a) the business begins to be carried on by P otherwise than in partnership on such activities ceasing to be carried on by persons in partnership, or
 - (b) P is a number of persons in partnership who begin to carry on the business on such activities ceasing to be carried on—
 - (i) by a person, or a number of persons, otherwise than in partnership,
 - (ii) by persons in a partnership not consisting only of all the persons constituting P, or
 - (iii) partly as mentioned in sub-paragraph (i) and partly as mentioned in sub-paragraph (ii).
- (5) P is not to be regarded as starting a new business by beginning to carry on a business if—

Changes to legislation: *There are currently no known outstanding effects for the National Insurance Contributions Act 2011, Section 5. (See end of Document for details)*

- (a) before P begins to carry on the business, P is a party to arrangements under which P may (at any time during the relevant period) carry on as part of the business activities carried on by any other person, and
 - (b) the business would have been prevented by subsection (2)(b) from being a new business had—
 - (i) P begun to carry on the activities when beginning to carry on the business, and
 - (ii) the other person at that time ceased to carry them on.
- (6) In this section “business” means something which is—
- (a) a trade, profession or vocation for the purposes of the Income Tax Acts or the Corporation Tax Acts,
 - (b) a property business (within the meaning of section 263(6) of the Income Tax (Trading and Other Income) Act 2005), or
 - (c) an investment business (that is, a business consisting wholly or partly of making investments).

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