

Status: Point in time view as at 06/04/2014.

Changes to legislation: There are currently no known outstanding effects for the National Insurance Contributions Act 2014, Paragraph 3. (See end of Document for details)

SCHEDULES

SCHEDULE 1

EMPLOYMENT ALLOWANCE: RULES FOR DETERMINING IF PERSONS ARE “CONNECTED”

PART 1

COMPANIES

Companies whose relationship is not one of substantial commercial interdependence

- 3 (1) This paragraph applies for the purpose of determining under paragraph 2(1) if two companies are connected with one another if the relationship between the companies is not one of substantial commercial interdependence.
- (2) In the application of section 451 of CTA 2010 for the purposes of the determination, any person to whom rights and duties fall to be attributed under subsections (4) and (5) of that section is to be treated, for the purposes of those subsections, as having no associates.
- (3) In determining for the purposes of sub-paragraph (1) if two companies have a relationship of “substantial commercial interdependence”, the following factors are to be taken into account—
- (a) the degree to which the companies are financially interdependent (see sub-paragraph (4)),
 - (b) the degree to which the companies are economically interdependent (see sub-paragraph (5)), and
 - (c) the degree to which the companies are organisationally interdependent (see sub-paragraph (6)).
- (4) Two companies are “financially interdependent” if (in particular)—
- (a) one gives financial support (directly or indirectly) to the other, or
 - (b) each has (directly or indirectly) a financial interest in the other's activities.
- (5) Two companies are “economically interdependent” if (in particular)—
- (a) they seek to realise the same economic objective,
 - (b) the activities of one benefit the other, or
 - (c) their activities involve common customers.
- (6) Two companies are “organisationally interdependent” if (in particular) they have—
- (a) common management,
 - (b) common employees,
 - (c) common premises, or
 - (d) common equipment.

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