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STATUTORY INSTRUMENTS

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**2013 No. 376**

**The Universal Credit Regulations 2013**

**PART 6**

**CALCULATION OF CAPITAL AND INCOME**

**CHAPTER 4**

**MISCELLANEOUS**

**Company analogous to a partnership or one person business**

77.—(1) Where a person stands in a position analogous to that of a sole owner or partner in relation to a company which is carrying on a trade or a property business, the person is to be treated, for the purposes of this Part, as the sole owner or partner.

(2) Where paragraph (1) applies, the person is to be treated, subject to paragraph (3)(a), as possessing an amount of capital equal to the value, or the person's share of the value, of the capital of the company and the value of the person's holding in the company is to be disregarded.

(3) Where paragraph (1) applies in relation to a company which is carrying on a trade—

- (a) any assets of the company that are used wholly and exclusively for the purposes of the trade are to be disregarded from the person's capital while they are engaged in activities in the course of that trade;
- (b) the income of the company or the person's share of that income is to be treated as the person's income and calculated in the manner set out in regulation 57 as if it were self-employed earnings; and
- (c) where the person's activities in the course of the trade are their main employment, the person is to be treated as if they were in gainful self-employment and, accordingly, regulation 62 (minimum income floor) applies. <sup>F1</sup>....

(4) Any self-employed earnings which the person is treated as having by virtue of paragraph (3) (b) are in addition to any employed earnings the person receives as a director or employee of the company.

(5) This regulation does not apply where the person derives income from the company that is employed earnings by virtue of Chapter 8 (workers under arrangements made by intermediaries)<sup>F2</sup>, Chapter 9 (managed service companies) or Chapter 10 (workers' services provided through intermediaries) of Part 2 of ITEPA and that income is derived from activities that are the person's main employment].

(6) In paragraph (1) "property business" has the meaning in section 204 of the Corporation Tax Act 2009 <sup>M1</sup>.

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**Textual Amendments**

- F1** Words in reg. 77(3)(c) omitted (with effect in accordance with reg. 1(2) of the amending S.I.) by virtue of [The Universal Credit and Miscellaneous Amendments \(No.2\) Regulations 2014 \(S.I. 2014/2888\)](#), regs. 1(1), **4(6)**
- F2** Words in reg. 77(5) substituted (28.11.2018) by [The Universal Credit and Jobseeker's Allowance \(Miscellaneous Amendments\) Regulations 2018 \(S.I. 2018/1129\)](#), regs. 1(2), **3(5)**
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**Marginal Citations**

- M1** 2009 c.4.

**Changes to legislation:**

There are currently no known outstanding effects for the The Universal Credit Regulations 2013, Section 77.