



Community Amateur Sports Clubs ('CASCs')

– December 2015 update

***Disclaimer:** This document has been prepared by VAT Services (Scotland) Ltd on behalf of Scottish Golf. It outlines the up to date position for Private Member Clubs following the introduction of the regulations for Community Amateur Sports Clubs that were implemented on 1st April 2015. As detailed in the previous update of April 2015, clubs may wish to take additional legal and tax advice tailored to their own particular circumstances.*

The latest statistics issued by HM Revenue & Customs ('HMRC') advised that there are 890 golf clubs in the UK which have CASC status, of which 78 are located in Scotland. However, it is likely that this number will drop as HMRC deregister a number of clubs who fail to meet the new regulations that were implemented on 1st April 2015.

Back in April 2015 we provided a 9-page update on these new regulations. The update can be accessed via [this link](#). At this time it was expected HMRC would:

- Write to all CASCs and seek confirmation they still qualify to be a CASC in light of the new legislation implemented on 1st April 2015; and
- Remove a club from the CASC register from 1st April 2016 should it no longer meet the new qualifying conditions. The new qualifying conditions are outlined in detail in the link above.

At this time (April 2015) HMRC intimated it will not levy a tax charge on deregistration on the proviso that your club met the CASC regulations prior to 1st April 2015. In our April 2015 update, we recommended each CASC should contact its accountant for specific tax advice relevant to its own club. The recommendation still applies.

Update released by HMRC

HMRC issued an update on 17th November 2015 and this can be accessed via [this link](#). This update contains 23 pages of detailed guidance notes and 5 annexes. Much of the content is a repeat of guidance previously issued by HMRC. However, section 5 ('Leaving the scheme') and section 6 ('If a CASC no longer meets the conditions') provide either new or additional guidance from that previously outlined by HMRC. As such, we now consider these two sections in more detail.

Clubs leaving the scheme

HMRC advise in section 5 of the updated guidance, see link above, that the intention was where a club had CASC status it was intended to be permanent and a club cannot ask to be deregistered. Once a club was registered as a CASC it will remain a CASC until:

- A club is closed down/wound up;
- HMRC deregisters your club because it no longer meets the conditions; or
- The members have voted to close the club and transfer the assets and activities to a registered charity.

Where a CASC no longer meets the conditions to remain a CASC

HMRC advise in section 6 of the updated guidance, see link above, Clubs had up to 1 April 2016 i.e. 1 year from the introduction of the new regulations, to make any changes required to remain a CASC. It is clear some clubs will not be able to make the changes required to keep their CASC status while other clubs i.e. their members may decide that they do not want to make the changes required. HMRC guidance states that these clubs should write to HMRC as soon as possible explaining that the club does not meet the new conditions of being a CASC. Our previous advice of April 2015, outlining the conditions that require to be satisfied to remain a CASC, can be accessed via [this link](#).

Previously HMRC had intimated it will not levy a tax charge on deregistration on the proviso the club met the CASC regulations prior to 1st April 2015. Importantly, HMRC has confirmed this in section 6 of the updated guidance the following:

'If HMRC is satisfied your club has always been compliant with the CASC rules (before the changes on 1st April 2015) then the club's deregistration date will be 1st April 2016. There will be no deregistration or exit charge on the club'.

However, HMRC then go on to state:

'If a club has not met the CASC rules for many years (e.g. they have never been 'open to all') then HMRC will backdate deregistration to the appropriate date and a charge to CT may apply (loss of any CASC reliefs and a deregistration charge based on the assets held by the club)'.

HMRC outline the charges to CT that may arise in sections 6.1.3. and 6.1.4. of the updated guidance which can be accessed via [this link](#).

Next Steps for your club

We recommend the following:

- Clubs should review this document and our previous advice of April 2015 and ensure it fully understands the implications for their club;
- As with our previous advice in April 2015, where clubs are in any doubt as to the implications of the new regulations on their club, they should contact their accountant if they have not already done so, and pass this document onto them for their consideration and subsequent advice; and
- If a club no longer meets the conditions of being a CASC or will not be 1 April 2016, it should write to HMRC and explain it does not meet the conditions of being a CASC. As long as the club met the conditions of being a CASC, before the new regulations of 1 April 2015, it will not incur a deregistration or exit charge. Where a club did not meet the conditions of being a CASC before the new regulations it is very important their accountant considers/quantifies the deregistration or exit charge that may be levied on the club.

Contact details for HMRC's CASC Unit

Should a club require to correspond with HMRC, it can do so via the following address:

HMRC Charities
CASC Unit
St John's House

Merton Road
Liverpool
L75 1BB

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