



# RUGBY FOOTBALL UNION

## RFU - Status of the CASC Scheme (November 2012)

Following the previous advisory note regarding the status of the CASC scheme please find a brief update of the current situation. HMRC have still not published its revised guidance on the proposed changes following legal advice however they have started to move pending applications forward by writing to clubs and asking for further information regarding their application. A number of clubs are now receiving letters from HMRC with the following request-

"Please provide me with more information about how the social income of the club arises. Does it arise solely from the sale of food and drink to members and their guests or through other activities such as hiring out of club facilities? If your club runs a bar, cafe or restaurant please confirm the opening times and whether or not it is open at times when there is no sporting activity, such as matches and training, being undertaken. Please confirm who is entitled to use the bar, cafe or restaurant".

In essence HMRC are beginning to apply the new guidance without actually publishing it which makes providing any advice difficult – however please let Dave Stubble [davestubble@rfu.com](mailto:davestubble@rfu.com) 07736 722387 know if your club is in this situation so that we can build up a picture of the number of issues and also so that we can provide some advice in terms of how to provide the required information.

Notwithstanding the new interpretation HMRC is registering new clubs as CASCs; there have been a number of new sports club registrations (including rugby clubs) in the last 3 months albeit the number of registrations is slowing. However, where a new application could potentially not comply with the new guidelines, the club may receive a letter as described above.

Due to the impact that this situation is having on a number of rugby (sports) clubs across the country and the length of time that HMRC are taking to deal with production of the new guidance, the Rugby Football Union (RFU), along with the Football Association (FA), the English and Wales Cricket Board (ECB), the Lawn Tennis Association (LTA) and the Sport and Recreation Alliance (SRA) have been lobbying HMRC on the specific issues.

The RFU are concerned with the two new requirements of social activities and membership fees as well as the on-going technical issues raised by HMRC including tours.

Clubs that are already registered as CASCs should not be concerned at this stage but those that are considering applying for registration may wish to bear this in mind if they receive holding letters from HMRC.

Finally if a CASC is considering incorporating it should get HMRC to confirm that it will register the new company as a CASC before transferring any assets. The transfer of assets from the unincorporated club to the new company should not take place until this confirmation is received and therefore the old unincorporated club should continue until that time. Given that HMRC are holding up many CASC applications because of the imposition of the 'new' guidance and therefore whether the new company will be accepted as a CASC can be determined, the incorporation of those rugby clubs which are CASCs is likely to be delayed. There have been a couple of cases where we understand that a club has lost its CASC registration because it has incorporated and the new company has not been registered because of the HMRC delay.

We continue to suggest that any unincorporated club which is a CASC and is considering incorporation should speak to the RFU for an update on HMRC's position.

Please contact Dave Stubble [davestubble@rfu.com](mailto:davestubble@rfu.com) 07736722387 for further information.