



RUGBY FOOTBALL UNION

Rugby Football Union – CASC Incorporation note

Changes by HMRC to their treatment of Community Amateur Sports Clubs (“CASCs”) mean that rugby clubs are facing various difficulties when attempting to register as CASCs. Recently, there have been particular problems when an unincorporated club registered as a CASC incorporates. In either case, the new company will need to register because CASC registration cannot be transferred. Whilst HMRC will advise CASCs which intend to incorporate of the likelihood that the new company will be granted CASC status, the company will not be registered until after the transfer of assets to it has taken place. The RFU has recently produced a guidance note on incorporation which explains these issues. Unfortunately, as HMRC is currently reviewing its guidance on CASC registration, a club may find that there are delays in registration of the new company. In some cases, this delay has lasted for several months.

Given these new circumstances, clubs which are CASCs and are considering incorporation should get clear confirmation from HMRC that HMRC are likely to register the new company when it submits its application to be registered. The transfer of assets from the unincorporated club to the new company should not take place until this confirmation has been received and therefore the old unincorporated club should continue until that time. Given that HMRC are holding up many CASC applications until their guidance has been updated 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 has been at least one case 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 this HMRC delay. We have been pressing HMRC for its view on many technical issues for nearly a year but unfortunately there has been, and will continue to be, further delays on their part.

We therefore 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.

For further information, please contact Dave Stubley at DaveStubley@RFU.com

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