

## Foreword

**This Notice cancels and replaces VAT Notice 701/45 Sport and physical education (April 2002). It also cancels Revenue & Customs Brief 37/10 & Revenue and Customs Brief 15/10.**

**You must read it in conjunction with VAT Notice 701/5 Clubs and associations and the section on sports facilities and physical recreation in VAT Notice 742 Land and Property.**

## 1. Introduction

### 1.1 What is this notice about?

This notice describes which supplies of sport physical recreation and physical education qualify for exemption from VAT. It explains:

- the scope of the exemption from VAT for certain sporting and physical education services supplied by “eligible bodies” and details how it works in practice;
- to promoters of competitions in sport and physical recreation the scope of the exemption for competition entry fees and how it works in practice.

This notice and others mentioned are available on our Internet website at [www.hmrc.gov.uk](http://www.hmrc.gov.uk).

### 1.2 What law applies this exemption?

The legal provisions covering this exemption are in:

- the VAT Act 1994, Schedule 9, Group 10, which is reproduced at paragraph 7.1; and
- the Income Tax (Earnings and Pensions) Act 2003 and the Corporation Tax Act 2010 which are cross-referred to in Group 10, and which are reproduced at paragraph 7.2 of this notice.

### 1.3 Where can I find more information on the exemption for fund-raising events?

You can find more information in Fund-raising events: Exemption for charities and other qualifying bodies and on the following web site:

[Fund-raising events: Exemption for charities and other qualifying bodies](#)

## 2. An overview of the exemption for sporting and physical education services

### 2.1 What does the exemption cover?

The exemption covers:

- certain sporting and physical **education** services by eligible bodies (see sections 3 and 4 below), and
- entry to certain competitions in sport or physical **recreation** (see section 6 below).

### 2.2 How has the exemption changed?

From 1 January 2000 the exemption for sporting services which was available to all non-profit-making bodies was restricted to supplies by **eligible bodies**. The term **eligible body** is explained in section 4, but, in summary, an eligible body must:

- be non-profit-making;
- have in its constitution restrictions on the distribution of profits; and
- **not** be subject to either commercial influence or part of a wider commercial undertaking.

**Commercial influence** is explained in section 5 but you are likely to be subject to the commercial influence test if, within the three years preceding the relevant sports supply, you:

(a) paid a salary or bonus calculated by reference to profits or gross income to anyone who was an officer or a shadow officer of the club; or was connected with such an officer; or

(b) purchased certain goods or services (called “relevant supplies”) from anyone; who was:

- an officer or shadow officer of the club;
- acting as an intermediary between the club and the officer; or
- connected with any such person.

## 2.3 Will I incur VAT on goods and services I buy in?

Yes. There are no special rules on goods and services supplied to sports bodies. If your club is not a charitable body it will not qualify for the reliefs available to charities described in Notice 701/1 Charities, Notice 701/58 Charity advertising and goods connected with collecting donations or Notice 708 Buildings and construction.

Even if you are a charitable body that is also an eligible body, your club will be charged VAT on most goods and services you buy in, including building work such as the construction of pavilions, clubhouses and facilities for playing sport.

Paragraphs 2.5 and 2.6 below explain that you might not be able to reclaim all or any of the VAT you incur. We strongly suggest that you budget for any irrecoverable VAT when considering your future expenditure, particularly when undertaking major projects. Applications for grants (such as those funded by the National Lottery) should take account of any irrecoverable VAT.

## 2.4 Can I reclaim the VAT I incur on non-business activities as input tax?

You may incur VAT on goods or services you will use wholly for the purpose of a non-business activity (see Notice 701/5 Clubs and associations). This VAT is not input tax and you cannot reclaim it. This is because such activities are outside the scope of VAT and you do not have to account for output VAT on them.

If goods or services are purchased partly for business and partly for non-business purposes you must apportion the VAT you incur to reflect the amount attributable to your business activities. This is the amount you can reclaim.

Since 1 January 2011 the option of Lennartz accounting for the purchase of goods used for business and non-business purposes has ceased. This is described in The Finance (No.3) Act 2010.

For further information see Notice 700 The VAT Guide.

## 2.5 May I reclaim the VAT I incur on business activities as input tax?

As a VAT registered business, you are entitled to deduct the input tax incurred on costs that you use or intend to use in making **taxable** supplies. You cannot normally deduct input tax incurred on costs that relate to **exempt** supplies that you make. If your input tax relates to both **taxable** and **exempt** supplies, you can normally deduct only the amount of input tax that relates to your **taxable** supplies, subject to certain de minimis rules.

For further information see Notice 700 The VAT Guide, Notice 706 VAT: Partial exemption and Notice 700/15 The Ins and Outs of VAT.

### 3. Sporting services exempt from VAT

This section describes when sporting and physical education services are **exempt** from VAT.

#### 3.1 Basic conditions

Your organisation's services are **exempt** only when **all** the following conditions are met.

Condition	Description	Further Information
1	Your organisation engages in activities included within the meaning of "sports and physical education"	paragraph 3.2 below
2	It supplies services that are closely linked with and essential to sport or physical education	paragraph 3.3 below
3	It supplies services to an individual, except, where the body operates a membership scheme, an individual who is not a member	paragraph 3.4 below
4	It is an eligible body	section 4 below

**If you let facilities for playing any sport or for taking part in any physical recreation, you may be supplying an interest in, a right over, or a license to occupy land. These supplies are normally standard-rated. However, if the let is for more than 24 hours or is for a series of 10 or more sessions, subject to conditions, then, your supply may be exempt. For more information see the section on sports facilities and physical recreation in Notice 742 Land and property.**

#### 3.2 Sports and physical education activities which qualify for exemption

Activities		
Aikido	Gymnastics	Real Tennis
American Football	Handball	Roller Hockey
Angling	Hang/Para Gliding	Roller Skating
Archery	Highland Games	Rounders

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Arm Wrestling	Hockey	Rowing
Association Football	Horse Racing	Rugby League
Athletics	Hovering	Rugby Union
Badminton	Hurling	Sailing/yachting (includes canal cruising)
Balloonng	Ice Hockey	Sand & Land Yachting
Baseball	Ice Skating	Shinty
Basketball	Jet Skiing	Shooting
Baton Twirling	Jiu Jitsu	Skateboarding
Biathlon	Judo	Skiing
Bicycle Polo	Kabaddi	Skipping
Billiards	Karate	Snooker
Bobsleigh	Kendo	Snowboarding
Boccia	Korfball	Softball
Bowls	Lacrosse	Sombo Wrestling
Boxing	Lawn Tennis	Squash
Camogie	Life Saving	Stoolball
Canoeing	Luge	Street Hockey
Caving	Modern Pentathlon	Sub-Aqua
Chinese Martial Arts	Motor Cycling	Surf Life Saving
Cricket	Motor Sports	Surfing
Croquet	Mountaineering	Swimming
Crossbow	Movement & Dance	Table Tennis
Curling	Netball	Taekwondo
Cycling	Octopush	Tang Soo Do
Dragon Boat Racing	Orienteering	Tchoukball

Dance	Parachuting	Tenpin Bowling (includes skittles)
Darts		
Equestrian	Petanque	Trampolining
Exercise & Fitness	Polo	Triathlon
Fencing	Pony Trekking	Tug of War
Field Sports	Pool	Unihoc
Fives	Quoits	Volleyball
Flying (includes those model flying activities, in which competence is dependent on physical skill or fitness)	Racketball	Water Skiing
Gaelic Football	Rackets	Weightlifting
Gliding	Racquetball	Wrestling
Golf	Rambling	Yoga

If an activity is not included on this list you can write to our Helpline with full details of the activity and we will consider whether the activity is a sport within the meaning of the sports exemption.

### **3.3 Services closely linked with and essential to sport or physical education**

#### 3.3.1 General

The following are considered to be supplies closely linked with and essential to sport or physical education:

- playing, competing, refereeing, umpiring, judging, coaching or training (but not attending as a spectator or involvement in administration);
- use of changing rooms, showers and playing equipment together with storage of equipment essential to the sporting activity;
- match fees charged by an “eligible body” for use of the playing facilities; and
- mooring, hangarage and use of workshop facilities (but not the use of parts, or the services of an engineer).

### 3.3.2 Sports coaching

Sports coaching by professionals is not within the **exemption** as it is not supplied by an “eligible body” - see section 4 below.

However, such coaching may fall within the scope of VAT **exemption** for education. Notice 701/30 Education and vocational training, gives more information on coaching/ tuition.

### 3.3.3 What if I am a self-employed referee and registered for VAT?

Your supply is **not exempt** from VAT, because you are not an “eligible body” - see section 4 below.

### 3.3.4 How should I treat match fees covering more than the use of playing facilities?

Where the match fees you charge cover, for **example**, a share of pitch hire, catering (**standard-rated**) and transport (**zero-rated**) you should consider the rules concerning transactions which cover more than one element and also distinguish between single and multiple supplies, as explained in VAT Notice 701/5 Clubs and Associations. You may have to apportion the fees in accordance with the guidance in Notice 700 The VAT Guide.

### 3.3.5 What services are specifically excluded from **exemption**?

Supplies of:

- residential accommodation - however, this may fall within the **exemption** for supplies of land - see Notice 709/3 Hotels and holiday accommodation;
- catering - this is **standard-rated** - see Notice 709/1 Catering and take-away food; and
- transport - however, this may qualify for **zero-rating** - see Notice 744A Passenger transport.

## 3.4 To whom must I supply my services?

To qualify for exemption:

- **if your club operates a membership scheme**, you must supply the services to individuals (see subparagraph 3.4.1) taking part in the activity, who are members of the scheme and whose membership is for at least three months; or
- If your club does not operate a membership scheme (for example, if you are a charitable trust), you must supply the services to individuals taking part in the activity.

In either case you must be an “eligible body” - see section 4 below.

It is usually clear from the literature, rules, regulations and constitution of the body whether it is operating a membership scheme. If your body has a membership scheme there will normally be references to:

- arrangements for application for membership;
- membership categories and subscriptions;
- benefits available to members (including voting rights at AGMs);
- conduct of members; and
- members' involvement in running the club.

#### 3.4.1 What does the term "individual" mean?

For the purposes of this exemption, an "individual" is a person who actually takes part in the sporting or physical education activity and this includes:

- family groups;
- informal groups, where one individual makes a booking on behalf of a group of users of the sporting facilities; and
- corporate persons and unincorporated associations, provided that the supplies are closely linked and essential to sport, that they are supplied by non-profit making organisations and that the true beneficiaries are individuals taking part in sport.

The following are not supplies to individuals:

- to travel agents or tour operators, which have agreements with a sports club to supply use of sporting facilities to individuals, groups or corporate bodies - this includes for example, supplies to individuals who are identified through having booked through a travel agent

#### 3.4.2 Who qualifies as a member for the purposes of exemption?

The club that supplies the playing services must grant the person taking part in sport membership for at least three months.

Where an individual becomes a member less than three months before the end of the club's subscription period and pays less than three months' subscription, **you can still exempt** the subscription, provided the grant of membership is for not less than three months.

### **VAT liability of various sporting services**

The following table applies the meanings of terms used in paragraphs 3.3 and 3.4 to show the VAT liability of various services when supplied by members' clubs and other bodies. For a full explanation of the term "eligible body," see section 4 below.

Nature of service	Supply by eligible membership bodies...		Supply by other eligible bodies, eg. sports centres
	to members	to temporary or non-members	to individuals
Use of changing rooms, showers and playing equipment, trolley and locker hire, and storage of equipment essential to sport.	Exempt	Standard-rated	Exempt
Provision of playing area for example, court, pitch or green fees	Exempt	Standard-rated	Exempt
Use of multi-sport playing facilities	Exempt	Standard-rated	Exempt
Refereeing, umpiring, judging and coaching services	Exempt (this excludes supplies by a self-employed referee, golf professional etc, see paragraph 3.3.3)	Standard-rated	Exempt (this excludes supplies by a self-employed referee, golf professional etc, see paragraph 3.3.3)
Membership subscriptions and joining fees covering active participation in sport	Exempt, subject to sub paragraphs 3.5.1 and 3.5.9	Standard-rated	Not applicable
Social or non-playing membership subscriptions	Standard-rated	Standard-rated	Not applicable
Fee for remaining on waiting list for membership	Standard-rated or Exempt, see sub paragraph 3.5.3	Standard-rated or Exempt, see sub paragraph 3.5.3	Not applicable
Admission charges for spectators	Standard-rated	Standard-rated	Standard-rated

Use of residential accommodation	Standard-rated, subject to sub paragraph 3.3.5 above	Standard-rated, subject to sub paragraph 3.3.5 above	Standard-rated, subject to sub paragraph 3.3.5 above
Use of transport	Standard-rated, subject to sub paragraph 3.3.5 above	Standard-rated, subject to sub paragraph 3.3.5 above	Standard-rated, subject to sub paragraph 3.3.5 above
Catering, bars, gaming machines and social functions	Standard-rated	Standard-rated	Standard-rated
Match fees for the use of playing facilities	Exempt, subject to sub paragraph 3.3.4 above	Standard-rated, subject to sub paragraph 3.3.4 above	Exempt, subject to sub paragraph 3.3.4 above
Match fees covering the cost of catering and transport	Standard-rated, subject to sub paragraph 3.3.5	Standard-rated, subject to sub paragraph 3.3.5	Standard-rated, subject to sub paragraph 3.3.5
Mooring, hangarage and use of workshops (but not the use of parts or services of an engineer)	Exempt	Standard-rated	Exempt
Parking	Standard-rated	Standard-rated	Standard-rated

## 3.5 Subscriptions and other payments

### 3.5.1 Does a subscription qualify for **exemption**?

The subscription is a type of payment received in return for supplies of sporting services. The subscription is **exempt** if the services, -that is the benefits, facilities and advantages of membership- meet the conditions shown at paragraph 3.1 above.

### 3.5.2 Does a joining fee qualify for **exemption**?

Yes, where the benefits you supply in return are the same as for the subscription and the subscription is itself exempt. However, if the joining fee entitles the member to different benefits, you must, where appropriate, account for VAT based on the liability of those benefits.

### 3.5.3 Waiting lists

A charge to be placed on a waiting list is **exempt** if:

- it is deducted from the new member's first subscription or entrance fee, and the subscription or fee itself will qualify for exemption; and
- it is refundable in the event that the candidate fails to become a member for any reason, including voluntary withdrawal.

In all other circumstances the fee is consideration for the right to be on the waiting list and is **standard-rated**.

#### 3.5.4 Are life membership subscriptions **exempt**?

Yes, if the life subscription entitles the member to playing services for life and the annual subscription is **exempt**.

#### 3.5.5 Does exemption extend to members' guests, temporary members and visitors?

No. Sporting services are **standard-rated**, when supplied to:

- members' guests (irrespective of who pays the guests' fees);
- temporary members ie. (those granted membership for less than three months); and
- visitors including those from other members' clubs and societies.

#### 3.5.6 Are services supplied to social and non-playing members **exempt**?

No. Payments, including subscriptions, for social and non-playing membership of a sports club are consideration for standard-rated services.

#### 3.5.7 Social clubs

Social facilities you supply to your members in return for their subscription are **standard-rated**. If you also supply **zero-rated** benefits (for example a magazine for members) and **exempt** benefits (for example use of sporting facilities such as pool/snooker tables) in return for your subscription, you must consider the correct treatment of your supply under the terms of paragraph 3.5.9.

You should treat as **exempt** any additional amounts the members pay to use sports facilities such as pool or snooker tables.

If your organisation is a social club you should refer to Notice 701/5 Clubs and associations.

#### 3.5.8 Artisans' golf clubs

Membership fees charged to individual members of artisans' golf clubs are **exempt** from VAT. However, charges made by the host club to an artisans' golf club and its members are **standard-rated**. This is because the host club extends no membership facilities to artisan golfers and the normal rules for standard-rating green fees to non-members are applicable. If artisan golfers are members of the main club, or if it is the artisans' golf club which supplies the right to play to its members, charges for the use of the golf course are **exempt**.

#### 3.5.9 Leisure trusts providing all-inclusive membership schemes.

Businesses that will be most affected are community leisure centres that are run by non-profit making trusts. In most cases a typical customer who purchases an all-inclusive package will have access to a range of facilities at the leisure centre. VAT Liability depends on the nature of the supply which has to be decided at the time the all-inclusive fee is paid. Where the supply is a single supply that would be artificial to split, there can only be one overarching liability. In most cases, the typical consumer who purchases an all-inclusive package will have access to a range of facilities at the leisure centre. Usually most of these facilities would, if supplied individually, be exempt as services closely linked with and essential to sport or physical education in which the individual is taking part, (e.g. use of swimming pools, courts, pitches showers, changing rooms, etc.)

Therefore, in cases where the predominant reason for purchasing an all-inclusive package is to use the range of available sports facilities, the single supply is exempt.

If the predominant reason a typical consumer purchases an all-inclusive package is to make use of standard-rated facilities (e.g. use of a sauna) the single supply is standard-rated.

#### 3.5.10 Clubs and associations

Is it necessary to apportion subscriptions covering a mixture of exempt, zero-rated and/or standard-rated supplies?

Clubs and associations will often supply a number of different benefits in return for their subscriptions. This means they make supplies with more than one element. If your club is in this position you need to read Notice 701/5 Clubs and associations and decide whether your subscription is consideration for a single supply or consideration for a multiple supply.

If your subscription is consideration for a multiple supply under the terms of that notice and the separate elements have different liabilities you must apportion your subscription between those different elements. Brief guidance on how to apportion is shown in Notice 701/5 Clubs and associations.

However, in most cases there is one principal benefit or reason for joining. Other benefits supplied such as literature are less important. In these circumstances, your subscription is consideration for a single supply and its liability is determined by the liability of the main benefit. No apportionment may be made.

There is an exception for **non-profit making bodies**, which supply a mixture of benefits with different VAT liabilities. As a concession, these bodies **may** apportion their subscriptions to reflect the value and VAT liability of each individual benefit, even if they are consideration for a single supply. This is explained in more detail in Notice 701/5 Clubs and associations. Notice 700 The VAT Guide explains apportionment and the methods that may be used.

It is up to you whether you wish to take advantage of the concession.

However, if you do wish to apportion, for example subscriptions to cover separate benefits such as **zero-rated** printed matter, you must apportion all types and elements of subscriptions on a fair and reasonable basis - in other words you cannot pick and choose elements, and retrospective apportionment is not allowed.

3.5.11 How is input tax calculated in the case of subscriptions apportioned between exempt, zero-rated and/or standard-rated supplies?

Where subscriptions are apportioned, you should attribute any VAT incurred to the individual elements on the basis which is set out in Notice 706 VAT: Partial exemption. For example:

- Input tax directly attributable to **taxable** (includes zero-rated) supplies and fully recoverable will normally include that incurred on bar stock and refurbishment to the “behind the bar” area.
- Input tax attributable to both **taxable** and **exempt** supplies is “residual input tax” and will normally include that incurred on furnishings and refurbishment on the “front of the bar” area and clubhouses generally as well as VAT incurred on those sports facilities which are available to all participants.
- Input tax directly attributable to **exempt** supplies and non-recoverable will normally include VAT incurred on sports facilities not available to temporary members or visitors.

3.5.12 What if my club issues swipe cards, vouchers and other types of payment credits?

The VAT treatment of these payments and credits is described in Notice 701/5 Clubs and associations.

3.5.13 Raising of capital from members by loans, levies, shares and debentures

If you require your members to make a loan, pay a levy or purchase shares or debentures, by doing so they will be paying consideration, or additional consideration, for your supply of the benefits of membership, and you will have to account for VAT on the value of that consideration.

You find more about this in Notice 701/5 Clubs and associations.

## 3.6 Sports governing bodies

### 3.6.1 Can a non-profit- making sports governing body exempt its affiliation fees?

Yes, but only where the fees are for services closely linked and essential to sport that they are supplied by non-profit- making organisations, and that the true beneficiaries are individuals taking part in sport.

Supplies to commercial organisations should be treated as taxable since the true beneficiary of the service is unlikely to be individual taking part in the sport.

Where the affiliation fee confers a number of benefits, which individually would be liable to different VAT treatment, the advice in section 4 of Notice 701/5 March 2002 will help you to determine whether there is a single or multiple supply.

Where the conditions of Extra Statutory Concession 3.35 (apportionment of membership subscriptions to certain non-profit- making bodies- see Notice 48) are met, governing bodies may continue to take advantage of the option to apportion their affiliation fees between the rates of VAT applicable to the individual elements.

However, where the principal benefit is of priority purchase rights for tickets of admission to international matches or tournaments, the fee is **standard-rated**.

### 3.6.2 Can my club treat membership fees charged by a governing body as disbursements for VAT purposes?

Yes, where:

- the affiliation fee charged by the governing body qualifies for exemption;
- the principal beneficiary of the services supplied by the governing body is the individual sports person;
- the club itemises the fee separately from its subscription or charge to the individual member or customer on its' tax invoice;  
and
- the amount charged by the club to the individual member or customer does not exceed the fee charged by the governing body.

Provided these conditions are met, clubs can treat the onward charge of the affiliation fee to the member or customer as **outside the scope of VAT**.

## 3.7 How is disciplinary income treated?

If individuals taking part in sport break rules or are undisciplined, clubs or national associations may have the authority to fine them. Disciplinary income is not consideration for any supply to the individual paying the fines and is **outside the scope of VAT**.

However, the activity of enforcing the club or national association rules is part of the body's business activities. Any tax on costs of providing rule enforcement and disciplinary services is therefore input tax. The ability to recover this input tax will be determined under the partial exemption rules. In particular, input tax recovery will depend on the supply(ies) to which the disciplinary services relate, for example, affiliation fees or the right to enter competitions. You will need to determine the liability of the relevant supply(ies) in accordance with this notice and attribute the costs correspondingly. If the costs cannot be wholly attributed to either exempt or taxable supplies you must treat it as non-attributable input tax.

Paragraph 2.6 above explains where to find out more about non-attributable input tax.

## 4. Eligible body

### 4.1 What is an eligible body?

Your organisation is an eligible body when:

- it is non-profit making; **and**
- its constitution includes a non-distribution clause or limits any distribution of profits or surpluses to:
  - another non-profit making club; **or**
  - its members on winding up or dissolution; **and**
- it actually uses all profits or surpluses from its playing activities to maintain or improve the related facilities or for the purposes of a non-profit making body; **and**
- it is not subject to commercial influence nor part of a wider commercial undertaking.

The rest of the section explains how your organisation may meet the first three conditions and qualify as an eligible body. For the meaning of commercial influence see section 5 below.'

## 4.2 How do I decide whether a body is non-profit making?

By looking at the body's constitution, its activities and its use of funds to determine whether it was established with a purpose, intention or motive which exclude distribution of profit / surplus by overt or covert means to those with a financial interest in it, including if a corporate body its members.

A non-distribution clause in the constitution of an organisation does not, in itself, answer this question.

## 4.3 Non-distribution clauses

Your organisation must include a clause in its constitution that prevents distribution of any profits and surplus or limits their distribution to:

- another non-profit making body; or
- its members on winding up or dissolution.

The following examples of non-distribution clauses are designed to assist you and are not mandatory.

Type of body	Examples of acceptable clauses
unincorporated club	"The club is a non-profit making organisation. All profit and surpluses will be used to maintain or improve the club's facilities. No profit or surplus will be distributed other than to another non-profit making body or to members on winding up or dissolution of the club."
company limited by guarantee	"The income and property of the Company shall be applied solely towards the promotion of its objects as set forth in this Memorandum of Association and no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise howsoever by way of profit, to members of the Company and no Director of the Company shall be paid by salary or fees, or receive any remuneration or other benefit in money or money's worth from the Company for discharging his duties as such."
	"If upon winding up or dissolution of the Company there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the members of the Company, but shall be given or transferred to some other institution or institutions having objects similar to those of the Company".

However if your organisation is a company limited by shares and formed before 1 October 2009, you will need to be familiar with the Companies Act 1985 and in particular:

- Table A (SI 1985/805) which details the Regulations for management of a company limited by shares
- Articles 102-108 which covers dividend arrangements,
- Article 110 which covers capitalisation of profits and
- Article 117 which covers winding up.

We have accepted that the non-distribution condition will be satisfied by the passing of a resolution by the club to

- delete Articles 102-108 and 110; and
- adopt a new Article preventing distributions by way of dividend, bonus and any other means.

We have also accepted that adoption of Article 117 on winding up fulfils the winding-up criterion.

However if your company was formed after 1 October 2009 you will need to be familiar with the Companies Act 2006 and the Companies (Model Articles) Regulations 2008 (2008/ 3229) and in particular

- Articles 30-35 which cover dividend arrangements and
- Article 36 which covers capitalisation of profits.

## 5. Commercial influence

Every time you make a sports supply, you must decide whether you are under **commercial influence**. If you are under commercial influence you are **not an eligible body** (see section 4 above) and your sports supplies are **standard-rated**. A sports supply is a supply, which if made by an eligible body, would fall within the exemption for sporting and physical education services.

These rules look complicated because they are designed to counter complex tax avoidance schemes. Please contact our Helpline if you need any help.

### 5.1 What is “commercial influence”?

The following decision table explains when you are under “commercial influence”.

Step	Decision	Further information
1	On each occasion you make a charge for initial	<b>Relevant period is</b>

	or renewal of playing subscriptions or make some other type of sports supply, decide which period is, for the purposes of that supply, the 'relevant period'. Go to step 2.	explained at paragraph 5.2
2	Was a 'relevant supply' made to you in the relevant period? Go to step 3.	<b>Relevant supply</b> is explained at paragraphs 5.3 and 5.4.
3	Have you paid an 'emolument'? Go to step 4.	<b>Emolument</b> is explained at paragraph 5.5.
4	Does an 'agreement' exist for either or both of the following to take place after the end of the relevant period, namely - the making of a relevant supply to you; or the payment by you of any emolument? Go to step 5.	<b>Agreement</b> includes any arrangement or understanding (whether or not legally enforceable).
5	If you have answered <b>yes</b> to <b>any</b> of the questions at steps 2, 3 or 4 go to step 6; If you have answered <b>no</b> to <b>all</b> of the questions at steps 2, 3 and 4 you are not under 'commercial influence'	
6	Was the 'relevant supply' made by, an 'emolument' paid to, or agreement made with a 'person associated' with you at that time it was made or paid? If 'yes', you are under 'commercial influence' for <b>that</b> supply. If 'no', you are not under 'commercial influence' for <b>that</b> supply.	<b>Person associated</b> is explained at paragraph 5.6.

## 5.2 What is the "relevant period"?

The following table explains the meaning of "relevant period"

<b>For sports supplies made</b>	<b>the relevant period runs</b>
From 1 January 2000 to 31 December 2002	from 14 January 1999 to the time of the sports supply
1 January 2003 onwards	for the three years leading up to the time of the sports supply

## 5.3 What is a “relevant supply”?

The following table explains the meaning of “relevant supply”

A relevant supply is a ...	Notes
grant of either: any interest in or right over land or licence to occupy any land which at any time in the relevant period was or was expected to become sports land; and in the case of land in Scotland, of any personal right to call for or be granted any such interest or right; <b>or</b> of the use of sports land (that is, where rent is paid) under leases granted, varied or renewed after 31 March 1996	<p><b>‘Grant’</b> includes an assignment or surrender.</p> <p><b>‘Sports land’</b>, in relation to any body, means any land used or held for use for or in connection with the provision by that body of facilities for use for or in connection with sport or physical recreation, or both.</p>
supply of any services in managing or administering any of its facilities;	
supply of any goods or services for more than the normal market price.	

## 5.4 Exceptions from “relevant supplies”

The following table explains the circumstances in which a supply is not a “relevant supply” despite meeting the terms of paragraph 5.3 above.

Supplies will not be “relevant supplies” if they are ...	Notes
made by a charity or local authority	
made by a company to a club owned by that company and whose principal purpose is to provide employees of that company with sports facilities	<p><b>‘Employees’</b> in relation to a person, includes retired employees of that person.</p>
a gift of sports land or of the use of sports land	<p><b>‘Sports land’</b> in relation to any body, means any land used or held for use for, or in connection with, the provision by that body of facilities for use for, or in connection with, sport or physical recreation, or both.</p>
of sports land and was made in return for a nominal amount	<p>In normal circumstances we will treat any payment below £1000 as nominal and will give careful consideration to claims for higher amounts to be treated as</p>

	nominal.
of the use of sports land and made in return for a nominal amount, provided that the original grant of land was also for a nominal amount.	

## 5.5 Meaning of “emoluments”

Emoluments include all salaries, fees, wages, perquisites and profits calculated or varied, wholly or partly, by reference to:

- the profits from some or all of the activities of the body paying the emolument; or
- the level of that body’s gross income from some or all of its activities.

Perquisites (“perks”) are allowances paid, or goods and services provided, over and above a settled wage.

## 5.6 What is meant by “a person associated with” a body?

The following table describes the legal persons who are associated with an eligible body.

<b>Includes</b>	<b>Meaning</b>
officer	includes any committee member, director or trustee of the body.
shadow officer	someone in accordance with whose directions or instructions the officers or members of the body are accustomed to act.
intermediary	anyone who acts between the body and persons associated with it, including other intermediaries, in the making of a “relevant supply”.
person connected with another person associated with the body	has the meaning in the Corporation Tax Act 2010 (connected persons) - see paragraph 7.2 below; includes anyone who is a relative or business partner of an officer, shadow officer or intermediary or connected by virtue of control of a company.

## 5.7 Further questions

5.7.1 Will payment of honoraria disqualify my club from exemption?

No. Where you pay an honorarium to the Club Secretary or Treasurer, for example, this will not disqualify you from exemption, unless you calculate the amount by reference to your profits or gross income.

5.7.2 What if my club uses a committee member's firm to perform routine bookkeeping, accounting or legal services?

As we do not treat supplies of such services as management and administration, this will not disqualify you from exemption.

## 6. Exemption for competitions in sport and physical recreation

This section describes when you may exempt **entry fees** to certain sports **competitions**. An **entry fee** is the payment made for the right to enter a competition. A **competition** means a structured and organised contest, tournament or race where prizes or titles of some kind are awarded.

### 6.1 Scope of the exemption

Entry fees may qualify for **exemption** where:

- they are for entry to a competition in **sport or physical education** and the total amount of the entry fees charged is returned to the entrants of that competition as prizes; or
- they are for entry to a competition promoted by an **eligible body**, which is **established for the purposes of sport or physical recreation**.

The highlighted terms are explained in the following table.	
“Sport or physical education”	See paragraph 3.2 above
“Eligible body”	See section 4 above
“Established for the purposes”	There is no legal definition. It includes a charitable trust set up to run a sports club or sports centre. It does not include local authorities, because they perform a wide range of functions and do not owe their existence to sport or physical recreation.
“Sport and physical	This covers sports and physical education listed at paragraph 3.2 and physical recreation activities such as

<b>recreation”</b>	greyhound/pigeon racing and clay pigeon shooting. Activities that do <b>not</b> amount to sport or physical recreation, such as chess, card games, dominoes, and spot-the-ball and other newspaper competitions are excluded by the definition. Where animals are involved, it is important to distinguish between an animal show and activities which qualify as sport or physical recreation, such as a competition where the animals are assessed wholly or partially upon their sporting performance, e.g. jumping and racing.
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## 6.2 When might a competition fail to qualify?

Where all, or any, entry fees are carried forward as prizes or prize money to another competition.

## 6.3 What if my organisation includes our normal charge for admission or use of our facilities in the entry fee?

This does not exclude you from exemption, although you may need to apportion the fee between any exempt and taxable elements (see paragraph 6.4).

## 6.4 How do I value my exempt entry fees?

If the supply you are making is exempt the value of that exempt supply is normally the full amount of the entry fees received. You must **not** make any deduction for amounts you return as prizes.

However, it is only the supply of **the right to enter the competition** that is exempt. Where the “entry fee” includes elements that are standard or zero-rated supplies, you must decide whether you are making a single supply or a multiple supply. You can find out more about this in:

- Notice 701/5 Clubs and associations; and
- Notice 700 The VAT Guide.

## 6.5 May I deduct input tax?

You are entitled to deduct the input tax incurred on costs that you use or intend to use in making **taxable** supplies. You cannot normally deduct input tax incurred on costs that relate to your **exempt** supplies. If your input tax relates to both **taxable** and **exempt** supplies, you can normally deduct only the amount of input tax that relates to your **taxable** supplies.

For further information see:

- Notice 700 The VAT Guide;
- Notice 706 VAT: Partial exemption; and
- Notice 700/15 The Ins and Outs of VAT.

## **6.6 Prizes, prize money and appearance money**

Prizes and prize money awarded to, and appearance money paid to competitors, are always treated in the same way, regardless of whether the entry fees for the competition are exempt or taxable.

Prizes and prize money are outputs and appearance money is an input. Details of their treatment are shown in Notice 701/5 Club and associations.

## **7. Legal provisions referred to in this notice**

### **7.1 Value Added Tax Act 1994, Schedule 9, Group 10**

#### **SPORT, SPORTS COMPETITIONS AND PHYSICAL EDUCATION**

Item No.

1. The grant of a right to enter a competition in sport or physical recreation where the consideration for the grant consists in money which is to be allocated wholly towards the provision of a prize or prizes in that competition.
2. The grant, by an eligible body established for the purposes of sport or physical recreation, of a right to enter a competition in such an activity.
3. The supply by an eligible body to an individual, except, where the body operates a membership scheme, an individual who is not a member, of services closely linked with and essential to sport or physical education in which the individual is taking part.

Notes:

(1) Item 3 does not include the supply of any services by an eligible body of residential accommodation, catering or transport.

(2) An individual shall only be considered a member of an eligible body for the purpose of Item 3 where he is granted membership for a period of three months or more.

(2A) Subject to Notes (2B), (2C) and (3), in this Group “eligible body” means a non-profit making body which-

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- (a) is precluded from distributing any profit it makes, or is allowed to distribute any such profit by means only of distributions to a non-profit making body;
- (b) applies in accordance with Note (2B) any profits it makes from supplies of a description within Item 2 or 3; and
- (c) is not subject to commercial influence.

(2B) For the purposes of Note (2A)(b) the application of profits made by any body from supplies of a description within Item 2 or 3 is in accordance with this Note only if those profits are applied for one or more of the following purposes, namely-

- (a) the continuance or improvement of any facilities made available in or in connection with the making of the supplies of those descriptions made by that body;
- (b) the purposes of a non-profit making body.

(2C) In determining whether the requirements of Note (2A) for being an eligible body are satisfied in the case of any body, there shall be disregarded any distribution of amounts representing unapplied or undistributed profits that falls to be made to the body's members on its winding-up or dissolution.

(3) In Item 3 an eligible body does not include-

- (a) a local authority;
- (b) a government department within the meaning of section 41(6); or
- (c) a non-departmental public body which is listed in the 1993 edition of the publication prepared by the Office of Public Service and Science and known as Public Bodies.

(4) For the purposes of this Group a body shall be taken, in relation to a sports supply, to be subject to commercial influence if, and only if, there is a time in the relevant period when-

- (a) a relevant supply was made to that body by a person associated with it at that time;
- (b) an emolument was paid by that body to such a person;
- (c) an agreement existed for either or both of the following to take place after the end of that period, namely-
  - (i) the making of a relevant supply to that body by such a person; or
  - (ii) the payment by that body to such a person of any emoluments.

(5) In this Group "the relevant period", in relation to a sports supply, means-

- (a) where that supply is one made before 1st January 2003, the period beginning with 14th January 1999 and ending with the making of that sports supply; and

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(b) where that supply is one made on or after 1st January 2003, the period of three years ending with the making of that sports supply.

(6) Subject to Note (7), in this Group “relevant supply”, in relation to any body, means a supply falling within any of the following paragraphs-

(a) the grant of any interest in or right over land which at any time in the relevant period was or was expected to become sports land;

(b) the grant of any licence to occupy any land which at any such time was or was expected to become sports land;

(c) the grant, in the case of land in Scotland, of any personal right to call for or be granted any such interest or right as is mentioned in paragraph (a) above;

(d) a supply arising from a grant falling within paragraph (a), (b) or (c) above, other than a grant made before 1st April 1996;

(e) the supply of any services consisting in the management or administration of any facilities provided by that body;

(f) the supply of any goods or services for a consideration in excess of what would have been agreed between parties entering into a commercial transaction at arm's length.

(7) A supply which has been, or is to be or may be, made by any person shall not be taken, in relation to a sports supply made by any body, to be a relevant supply for the purposes of this Group if-

(a) the principal purpose of that body is confined, at the time when the sports supply is made, to the provision for employees of that person of facilities for use for or in connection with sport or physical recreation, or both;

(b) the supply in question is one made by a charity or local authority or one which (if it is made) will be made by a person who is a charity or local authority at the time when the sports supply is made;

(c) the supply in question is a grant falling within Note (6) (a) to (c) which has been made, or (if it is made) will be made, for a nominal consideration;

(d) the supply in question is one arising from such a grant as is mentioned in paragraph (c) above and is not itself a supply the consideration for which was, or will or may be, more than a nominal consideration; or

(e) the supply in question-

(i) is a grant falling within Note (6)(a) to (c) which is made for no consideration; but

(ii) falls to be treated as a supply of goods or services, or (if it is made) will fall to be so treated, by reason only of the application, in accordance with paragraph 9 of Schedule 4, of paragraph 5 of that Schedule.

(8) Subject to Note (10), a person shall be taken, for the purposes of this Group, to have been associated with a body at any of the following times, that is to say-

- (a) the time when a supply was made to that body by that person;
- (b) the time when an emolument was paid by that body to that person;
- (c) the time when an agreement was in existence for the making of a relevant supply or the payment of emoluments,

if, at that time, or at another time (whether before or after that time) in the relevant period, that person was an officer or shadow officer of that body or an intermediary for supplies to that body.

(9) Subject to Note (10), a person shall also be taken, for the purposes of this Group, to have been associated with a body at a time mentioned in paragraph (a), (b) or (c) of Note (8) if, at that time, he was connected with another person who in accordance with that Note-

- (a) is to be taken to have been so associated at that time; or
- (b) would be taken to have been so associated were that time the time of a supply by the other person to that body.

(10) Subject to Note (11), a person shall not be taken for the purposes of this Group to have been associated with a body at a time mentioned in paragraph (a), (b) or (c) of Note (8) if the only times in the relevant period when that person or the person connected with him was an officer or shadow officer of the body are times before 1st January 2000.

(11) Note (10) does not apply where (but for that Note) the body would be treated as subject to commercial influence at any time in the relevant period by virtue of-

- (a) the existence of any agreement entered into on or after 14th January 1999 and before 1st January 2000; or
- (b) anything done in pursuance of any such agreement.

(12) For the purposes of this Group a person shall be taken, in relation to a sports supply, to have been at all times in the relevant period an intermediary for supplies to the body making that supply if-

- (a) at any time in that period either a supply was made to him by another person or an agreement for the making of a supply to him by another was in existence; and
- (b) the circumstances were such that, if-
  - (i) that body had been the person to whom the supply was made or (in the case of an agreement) the person to whom it was to be or might be made; and

(ii) Note (7) above were to be disregarded to the extent (if at all) that it would prevent the supply from being a relevant supply, the body would have fallen to be regarded in relation to the sports supply as subject to commercial influence.

(13) In determining for the purposes of Note (12) or this Note whether there are such circumstances as are mentioned in paragraph (b) of that Note in the case of any supply, that Note and this Note shall be applied first for determining whether the person by whom the supply was made, or was to be or might be made, was himself an intermediary for supplies to the body in question, and so on through any number of other supplies or agreements.

(14) In determining for the purposes of this Group whether a supply made by any person was made by an intermediary for supplies to a body, it shall be immaterial that the supply by that person was made before the making of the supply or agreement by reference to which that person falls to be regarded as such an intermediary.

(15) Without prejudice to the generality of subsection (1AA) of section 43, for the purposes of determining-

- (a) whether a relevant supply has at any time been made to any person;
- (b) whether there has at any time been an agreement for the making of a relevant supply to any person; and
- (c) whether a person falls to be treated as an intermediary for the supplies to any body by reference to supplies that have been, were to be or might have been made to him,

references in the preceding Notes to a supply shall be deemed to include references to a supply falling for other purposes to be disregarded in accordance with section 43(1)(a).

(16) In this Group -

“agreement” includes any arrangement or understanding (whether or not legally enforceable);

“emolument” means any emolument (within the meaning of the Income Tax Acts) the amount of which falls or may fall, in accordance with the agreement under which it is payable, to be determined or varied wholly or partly by reference-

(i) to the profits from some or all of the activities of the body paying the emolument;  
or

(ii) to the level of that body’s gross income from some or all of its activities;

“employees”, in relation to a person, includes retired employees of that person;

“grant” includes an assignment or surrender;

“officer”, in relation to a body, includes -

- (i) a director of a body corporate, and
- (ii) any committee member or trustee concerned in the general control and management of the administration of the body;

“shadow officer”, in relation to a body, means a person in accordance with whose directions or instructions the members or officers of the body are accustomed to act;

“sports land”, in relation to any body, means any land used or held for use for or in connection with the provision by that body of facilities for use for or in connection with sport or physical recreation, or both;

“sports supply” means a supply which, if made by an eligible body, would fall within Item 2 or 3.

(17) For the purposes of this Group any question whether a person is **connected** with another shall be determined in accordance with section 1122 of the Corporation Tax Act 2010 (connected persons).

## 7.2 Excerpts from the Income Tax (Earnings and Pensions) Act (ITEPA) 2003

### 62 Earnings

62(1) This section explains what is meant by “earnings” in the employment income Parts.

62(2) In those Parts “earnings,” in relation to an employment, means—

- (a) any salary, wages or fee,
- (b) any gratuity or other profit or incidental benefit of any kind obtained by the employee if it is money or money's worth, or
- (c) anything else that constitutes an emolument of the employment.

62(3) For the purposes of subsection (2) “money's worth” means something that is—

- (a) of direct monetary value to the employee, or
- (b) capable of being converted into money or something of direct monetary value to the employee.

62(4) Subsection (1) does not affect the operation of statutory provisions that provide for amounts to be treated as earnings (and see section 721(7)).

## 7.3 The Corporation Tax Act 2010 (CTA 2010)

### 1122 “Connected” persons

1122(1) This section has effect for the purposes of the provisions of the Corporation Tax Acts which apply this section (or to which this section is applied).

1122(2) A company is connected with another company if–

- (a) the same person has control of both companies,
- (b) a person (“A”) has control of one company and persons connected with A have control of the other company,
- (c) A has control of one company and A together with persons connected with A have control of the other company, or
- (d) a group of two or more persons has control of both companies and the groups either consist of the same persons or could be so regarded if (in one or more cases) a member of either group were replaced by a person with whom the member is connected.

1122(3) A company is connected with another person (“A”) if–

- (a) A has control of the company, or
- (b) A together with persons connected with A have control of the company.

1122(4) In relation to a company, any two or more persons acting together to secure or exercise control of the company are connected with–

- (a) one another, and
- (b) any person acting on the directions of any of them to secure or exercise control of the company.

1122(5) An individual (“A”) is connected with another individual (“B”) if–

- (a) A is B's spouse or civil partner,
- (b) A is a relative of B,
- (c) A is the spouse or civil partner of a relative of B,
- (d) A is a relative of B's spouse or civil partner, or
- (e) A is the spouse or civil partner of a relative of B's spouse or civil partner.

1122(6) A person, in the capacity as trustee of a settlement, is connected with–

- (a) any individual who is a settlor in relation to the settlement,

- (b) any person connected with such an individual,
- (c) any close company whose participators include the trustees of the settlement,
- (d) any non-UK resident company which, if it were UK resident, would be a close company whose participators include the trustees of the settlement,
- (e) any body corporate controlled (within the meaning of section 1124) by a company within paragraph (c) or (d),
- (f) if the settlement is the principal settlement in relation to one or more sub-fund settlements, a person in the capacity as trustee of such a sub-fund settlement, and
- (g) if the settlement is a sub-fund settlement in relation to a principal settlement, a person in the capacity as trustee of any other sub-fund settlements in relation to the principal settlement.

1122(7) A person who is a partner in a partnership is connected with—

- (a) any partner in the partnership,
- (b) the spouse or civil partner of any individual who is a partner in the partnership, and
- (c) a relative of any individual who is a partner in the partnership.

1122(8) But subsection (7) does not apply in relation to acquisitions or disposals of assets of the partnership pursuant to genuine commercial arrangements.

## **1123 “Connected” persons: supplementary**

1123(1) In section 1122 and this section—

“company” includes any body corporate or unincorporated association, but does not include a partnership (and see also subsection (2)),

“control” is to be read in accordance with sections 450 and 451 (except where otherwise indicated),

“principal settlement” has the meaning given by paragraph 1 of Schedule 4ZA to TCGA 1992,

“relative” means brother, sister, ancestor or lineal descendant,

“settlement” has the same meaning as in Chapter 5 of Part 5 of ITTOIA 2005 (see section 620 of that Act), and

“sub-fund settlement” has the meaning given by paragraph 1 of Schedule 4ZA to TCGA 1992.

1123(2) For the purposes of section 1122–

- (a) a unit trust scheme is treated as if it were a company, and
- (b) the rights of the unit holders are treated as if they were shares in the company.

1123(3) For the purposes of section 1122 “trustee”, in the case of a settlement in relation to which there would be no trustees apart from this subsection, means any person–

- (a) in whom the property comprised in the settlement is for the time being vested, or
- (b) in whom the management of that property is for the time being vested.

Section 466(4) of ITA 2007 (which applies for the purposes of the Corporation Tax Acts as a result of section 1169 below) does not apply for the purposes of this subsection.

1123(4) If any provision of section 1122 provides that a person (“A”) is connected with another person (“B”), it also follows that B is connected with A.

## **1124 “Control”**

1124(1) This section has effect for the purposes of the provisions of the Corporation Tax Acts which apply this section (or to which this section is applied).

1124(2) In relation to a body corporate (“company A”), “control” means the power of a person (“P”) to secure–

- (a) by means of the holding of shares or the possession of voting power in relation to that or any other body corporate, or
- (b) as a result of any powers conferred by the articles of association or other document regulating that or any other body corporate,

that the affairs of company A are conducted in accordance with P's wishes.

1124(3) In relation to a partnership, “control” means the right to a share of more than half the assets, or of more than half the income, of the partnership.

## **449 “Associated company”**

449 For the purposes of this Part, a company is another's “associated company” at a particular time if, at that time or at any other time within the preceding 12 months–

- (a) one of them has control of the other, or
- (b) both are under the control of the same person or persons.

## **450 “Control”**

450(1) This section applies for the purpose of this Part.

450(2) A person (“P”) is treated as having control of a company (“C”) if P—

- (a) exercises,
- (b) is able to exercise, or
- (c) is entitled to acquire,

direct or indirect control over C's affairs.

450(3) In particular, P is treated as having control of C if P possesses or is entitled to acquire—

- (a) the greater part of the share capital or issued share capital of C,
- (b) the greater part of the voting power in C,
- (c) so much of the issued share capital of C as would, on the assumption that the whole of the income of C were distributed among the participators, entitle P to receive the greater part of the amount so distributed, or
- (d) such rights as would entitle P, in the event of the winding up of C or in any other circumstances, to receive the greater part of the assets of C which would then be available for distribution among the participators.

450(4) Any rights that P or any other person has as a loan creditor are to be disregarded for the purposes of the assumption in subsection (3)(c).

450(5) If two or more persons together satisfy any of the conditions in subsections (2) and (3), they are treated as having control of C.

450(6) See also section 451 (section 450: rights to be attributed etc).

## **451 Section 450: rights to be attributed etc**

451(1) This section applies for the purposes of section 450.

451(2) A person is treated as entitled to acquire anything which the person—

- (a) is entitled to acquire at a future date, or
- (b) will at a future date be entitled to acquire.

451(3) If a person—

- (a) possesses any rights or powers on behalf of another person (A), or

(b) may be required to exercise any rights or powers on A's direction or behalf, those rights or powers are to be attributed to A.

451(4) There may also be attributed to a person all the rights and powers–

(a) of any company of which the person has, or the person and associates of the person have, control,

(b) of any two or more companies within paragraph (a),

(c) of any associate of the person, or

(d) of any two or more associates of the person.

451(5) The rights and powers which may be attributed under subsection (4)–

(a) include those attributed to a company or associate under subsection (3), but

(b) do not include those attributed to an associate under subsection (4).

451(6) Such attributions are to be made under subsection (4) as will result in a company being treated as under the control of 5 or fewer participators if it can be so treated.

## Your rights and obligations

Your Charter explains what you can expect from us and what we can expect from you. For more information go to [www.hmrc.gov.uk/charter](http://www.hmrc.gov.uk/charter)

## Do you have any comments or suggestions?

If you have any comments or suggestions to make about this notice, please write to:

**HM Revenue & Customs  
VAT Liability Team  
VAT Products and Processes  
100 Parliament Street  
LONDON  
SW1A 2BQ**

Please note this address is not for general enquiries.

For your general enquiries please phone our Helpline **0845 010 9000**.

## Putting things right

If you are not satisfied with our service, please let the person dealing with your affairs know what is wrong. We will work as quickly as possible to put things right and settle your complaint. If you are still unhappy, ask for your complaint to be referred to the Complaints Manager.

For more information about our complaints procedures go to [www.hmrc.gov.uk](http://www.hmrc.gov.uk) and under quick links select Complaints.

## How we use your information

HM Revenue & Customs is a Data Controller under the Data Protection Act 1998. We hold information for the purposes specified in our notification to the Information Commissioner, including the assessment and collection of tax and duties, the payment of benefits and the prevention and detection of crime, and may use this information for any of them.

We may get information about you from others, or we may give information to them.

If we do, it will only be as the law permits to:

- check the accuracy of information
- prevent or detect crime
- protect public funds.

We may check information we receive about you with what is already in our records. This can include information provided by you, as well as by others, such as other government departments or agencies and overseas tax and customs authorities. We will not give information to anyone outside HM Revenue & Customs unless the law permits us to do so. For more information go to [www.hmrc.gov.uk](http://www.hmrc.gov.uk) and look for Data Protection Act within the Search facility.