HMRC - CTM97530 - CTSA: Removal By Agreement

Clause 15 of the group payment arrangement contract

The nominated company can remove a participating company from the arrangement at any time, by agreement with the group payment team.

The removal has effect for accounting periods of the departing company, in respect of which the first instalment:

falls due after the date of the agreement to remove,

or

would fall due were the company a large company.

Thus:

if a departing company has two accounting periods within the group payment period,

and

the first instalment date had passed for one but not for the other,

its liability for the first remains within the group payment arrangement.

Example

ZZ group has had a group payment arrangement since its first CTSA accounting period, the year to 31.12.09.

The participating companies are Company A, Company B and Company C.

Their relevant accounting periods are identical to the group payment periods (the calendar year) throughout.

Company C is to change the nature of its activities during 2012 and the group wishes to remove it from the group payment arrangement.

Company C can only be removed for the 2012 group payment period if the agreement to remove it is made by 14 July 2012.

If the agreement is made later than that (but before 14 July 2013) Company C remains part of the group payment arrangement for 2012 and comes out for 2013 onwards.

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