HMRC - CTM97580 - CTSA: Termination: Clause 18

Under Clauses 18 - 20 of the contract:

the nominated company,

or

the Revenue,

can each terminate the arrangement at any time by giving notice in writing to the other.

Termination has effect for any accounting period of the participating companies for which the first quarterly instalment payment has not yet fallen due.

In relation to non-quarterly instalment companies, termination has effect in relation to any accounting period for which the first instalment would not yet have fallen due if it were a large company.

Example

There is a group payment arrangement.

All the participating companies make up their accounts for the year to 31 December 2012.

The group decides it does not want to continue the arrangement for the period ending on 31 December 2013.

It must notify the group payment team before 14 July 2013 (the date when the first quarterly instalment payment is due).

If the notification is given later than that, the group payment arrangement remains in force for 2013 and ceases with effect from 2014.

Termination under Clause 18 is primarily a protection for the group, and not a mechanism the Revenue intends to invoke routinely.

Previous page

Next page