HMRC - FRS6100 - Anti-Avoidance Rules: What Are The Anti-Avoidance Exclusions?

The FRS is intended for small stand-alone businesses and the anti-avoidance exclusions mean:

Businesses that are eligible for group treatment, or are registered for VAT as a divisional registration, at the time of application - or have been in the preceding 24 months - are excluded.

This is designed to reduce the threat of exploitation by larger companies.

Businesses that acquire or intend to acquire capital items that are covered by the capital goods scheme are excluded.

Analysis showed that the treatment of FRS businesses as fully taxable presented the potential for abuse by exempt companies and this exclusion is to prevent such avoidance schemes from developing.

Businesses that are associated - or have been in the preceding 24 months - are excluded.

This is a catch-all provision to prevent avoidance and abuse. Further details can be found at FRS6200.

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