HMRC - FRS6200 - Anti-Avoidance Rules: What Is The Definition Of An Associated Business?

Regulation 55A(2) of VAT Regulations 1995 excludes any business that is associated with another person, whether or not that person is a corporate body or a natural person and irrespective of the taxable status of the person.

The regulation defines association as any case where:

the business of one is under the dominant influence of the other or

the persons are closely bound to one another by financial, economic and organisational links.

FRS6300 explains how ‘dominant influence’ and ‘organisational links’ are to be interpreted.

Previous page

Next page