HMRC - IPT06235 - Registration: Registration Of Groups

Section 63 of The Finance Act 1994 deals generally with groups of companies. Two or more insurers (which are corporate bodies, but not individuals or partnerships) can be part of an IPT group, which allows them to account for IPT under a single registration. In contrast to the position in VAT, supplies of taxable insurance by one group member to another are still liable to IPT. Corporate bodies are eligible to be treated as members of a group if:

one of them controls all of the others, or

one other person, (whether an individual or a corporate body) controls all of them, or

two or more individuals in partnership control all of them.

Individuals or partnerships are not eligible for group treatment. All group members must be:

corporate bodies, and

resident or with an established place of business in the UK.

The residency criterion is usually satisfied if at least one director with full voting rights is UK-resident and regularly attends board meetings. A group member is considered to have an established place of business in the UK if the member has an identifiable place at which they carry on business and there is a visible or physical indication that they have a connection with the premises and the place of business is intended to have some degree of permanence.

One member of the group must act as the representative member. It is this insurer’s name and address which appear on the IPT return, and in whose name the IPT 1 must be completed. The representative member must also complete the Form IPT 50 -Application for Group Treatment. The representative member is treated as the insurer in relation to any taxable insurance contract for which a member of the group is the actual insurer. However, the representative member and all group members are all jointly and severally liable for any tax due from the representative member. Each group member must complete Form IPT 51 Group Member Details.

There is more about group registration procedures in IPT10025.

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