

# FINANCE ACT 2012

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## EXPLANATORY NOTES

### INTRODUCTION

#### *Section 52: Meaning of “Community Amateur Sports Club”*

##### Summary

1. [Section 52](#) amends the conditions sports clubs must meet to enable HM Revenue & Customs (HMRC) to register them as Community Amateur Sports Clubs (CASCs). The change puts current HMRC practice onto a statutory footing.

##### Details of the Section

2. Subsection (1) amends the definition of a CASC by replacing the current legislation in subsection 658(1) CTA 2010 with new sections 658(1), (1A) and (1B). The effect of this is to remove the requirement that all qualifying conditions for a CASC have to be required by the CASC’s constitution. The five qualifying conditions listed in new section 658(1) are divided into two groups. The first three conditions are required by new section 658(1A) to be in the constitution of a CASC and to be met in practice. The further two conditions shown in new section 658(1B) only need to be met in practice to satisfy these conditions.
3. Subsection 2 repeals paragraph 31 to Schedule 6 to FA 2010, which introduced the later two qualifying conditions into section 658(1) CTA 2010.
4. Subsection 3 says that the amendments will apply with effect from 6 April 2010, when the last two qualifying conditions were introduced into section 658(1).

##### Background Note

5. HMRC registers sports clubs as CASCs provided that they meet certain qualifying conditions. The legislation currently requires all the qualifying conditions to be contained in a club’s constitution, although in practice two of the qualifying conditions are not included in the constitution of most, if any, registered CASCs. This section removes the requirement for these two conditions to be included in the constitution and it puts current HMRC practice onto a statutory footing.