

## **Written Ministerial Statement**

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### **Community Amateur Sports Clubs**

**The Economic Secretary to the Treasury (Sajid Javid):** The Government is committed to delivering and maintaining a real sporting legacy after the London 2012 Olympic and Paralympic success. An important part of securing this legacy is to encourage greater participation in sport at a community level, and local sports clubs have an important role to play in this.

The Community Amateur Sports Club (CASC) scheme provides a number of charity-type tax reliefs to support local sports clubs. In order to access these tax reliefs clubs must meet certain conditions and must register with HM Revenue and Customs (HMRC).

However, some of the eligibility rules in the legislation are unclear and cause confusion. This makes it difficult for clubs and HMRC always to be sure about whether a club is entitled to relief. Clearer, more certain rules would help existing and prospective clubs to be confident about what they need to do to qualify, and would help ensure that the scheme fully achieves the Government's aim of supporting and encouraging sport at a community level.

Some areas cannot be clarified without legislation. To provide certainty as quickly as possible, the Government will include provisions in the Finance Bill, to be published on 28 March, allowing clearer detailed rules to be set through secondary legislation. HMRC will then publish a consultation document after the Finance Bill is published setting out proposals for these rules. These proposals will cover a range of issues, including:

- The maximum annual fee, to include the costs of participation, which a club can charge and still be considered a CASC. The consultation will seek views on a range of maximum fees up to £1040 (£20 per week). Recognising that some sports have higher costs, CASCs will be able to charge more than the maximum annual fee if they have measures in place to allow people on low and modest incomes to participate fully at a cost of no more than the maximum fee.
- The rules and limits for CASCs on generating income from social and non-sporting activities will be updated to provide clarity. The consultation will explore a number of possible limits. Where clubs generate income over the limits, the consultation will also explore how clubs can separate this activity into a wholly-owned subsidiary company.

- The consultation will include proposals for more generous rules for travel expenses, and changes to allow clubs to make limited payments to players.

Following the consultation, the Government would expect regulations to be laid in the autumn, setting out detailed rules, subject to the usual Parliamentary processes.

As well as providing certainty for existing CASCs, the Government hopes that the changes will encourage more clubs to apply and qualify for CASC status. Depending on the outcome of the consultation, it is possible that some existing CASCs may need to make changes to the way they operate if they wish to continue claiming relief. For example, they may need to make allowances for those on low or modest incomes. However, whilst the consultation is ongoing, CASCs will not need to make any changes.

Whilst HMRC has been reviewing the CASC regulations, a number of clubs that have applied to HMRC have had their applications put on hold. The Government is sorry for the delays they have experienced.

HMRC is writing today to each of those clubs whose application has been put on hold to draw their attention to this statement. HMRC will write again to each club when the consultation document is published explaining how the proposed new rules are likely to affect the club and its application.

One outcome of HMRC's review of the current rules that does not require legislative change is that clubs can offer junior memberships without voting rights and still qualify as CASCs. We are pleased to announce that HMRC will be applying this rule with immediate effect.

This Government recognises the importance and value of CASCs, and we hope the sports sector will welcome the measures being announced today.

**HM Treasury**  
**4 March 2013**