

*Status: This version of this part contains provisions that are prospective.*  
**Changes to legislation:** There are currently no known outstanding effects  
for the Finance Act 2019, PART 1. (See end of Document for details)

## SCHEDULES

PROSPECTIVE

### SCHEDULE 18

#### VAT GROUPS: ELIGIBILITY

##### PART 1

###### ELIGIBILITY OF INDIVIDUALS AND PARTNERSHIPS

- 1 (1) Section 43A of VATA 1994 (groups: eligibility) is amended as follows.
- (2) In subsection (1), in the opening words—
- (a) for “bodies corporate” substitute “ UK bodies corporate ”;
  - (b) omit “each is established or has a fixed establishment in the United Kingdom and”.
- (3) Omit subsections (2) and (3).
- (4) At the end insert—
- “(4) An individual carrying on a business and one or more UK bodies corporate are eligible to be treated as members of a group if the individual—
- (a) controls the UK body corporate or all of the UK bodies corporate, and
  - (b) is established, or has a fixed establishment, in the United Kingdom in relation to the business.
- (5) Two or more relevant persons carrying on a business in partnership (“the partnership”) and one or more UK bodies corporate are eligible to be treated as members of a group if the partnership—
- (a) controls the UK body corporate or all of the UK bodies corporate, and
  - (b) is established, or has a fixed establishment, in the United Kingdom in relation to the business.
- (6) In this section—
- (a) “UK body corporate” means a body corporate which is established or has a fixed establishment in the United Kingdom;
  - (b) “relevant person” means an individual, a body corporate or a Scottish partnership.
- (7) Section 43AZA contains provision for determining for the purposes of this section whether a body corporate, individual or partnership controls a UK body corporate.”

---

*Status: This version of this part contains provisions that are prospective.*  
**Changes to legislation:** *There are currently no known outstanding effects  
for the Finance Act 2019, PART 1. (See end of Document for details)*

---

2 In that Act, after section 43A insert—

**“43AZA Section 43A: control test**

- (1) This section applies for the purposes of section 43A (and expressions used in this section have the same meaning as in that section).
- (2) A body corporate (“X”) controls a UK body corporate if—
  - (a) X is empowered by statute to control the UK body corporate's activities, or
  - (b) X is the UK body corporate's holding company.
- (3) An individual (“Y”) controls a UK body corporate if Y would, were Y a company, be the UK body corporate's holding company.
- (4) Two or more relevant persons carrying on a business in partnership (“the partnership”) control a UK body corporate if the partnership would, were it a company, be the UK body corporate's holding company.
- (5) In this section “holding company” has the meaning given by section 1159 of, and Schedule 6 to, the Companies Act 2006.”

**Status:**

This version of this part contains provisions that are prospective.

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 2019, PART 1.