

Part 1: Corporation Tax Liability: Miscellaneous Rules

Chapter 1: Other Miscellaneous Rules

Clause 1{j9301}: Exemption for trade unions and eligible employers' associations

1. This clause provides a limited relief for trade unions and employers' associations. It is based on section 467(1), (3) and (3A) of ICTA.

2. S467 is drafted in terms of "a trade union" and provides a definition of the meaning of "trade union". This definition includes specified employers' associations. The inclusion of employers' association in the definition of "trade union" reflected the old system under which there was a single system of registration for trade unions and employers' association. Following the Industrial Relations Act 1971 (or, in Northern Ireland, the Industrial Relations (Northern Ireland) Order 1992), there are separate systems of registration for the two kinds of organisation, which are accordingly separately defined.

3. The approach in clause 1{j9301} reflects this change in the arrangements for registration and includes references to both "trade union" and "eligible employers' association". The use of "eligible" is intended to flag at the outset that not all employers' associations will qualify for the exemption. Only those employers' associations that were in existence and qualified for the exemption in 1971 (1992 for Northern Ireland employers' associations) will qualify.

Clause 2{j9302}: Qualifying income or gains

4. This clause defines the types of income subject to relief and provides a partial definition of what provident benefits are. It is based on section 467(1) and (2) of ICTA.

Clause 3{j9303}: Meaning of "trade union" and "eligible employers' association"

5. This clause defines trade union and eligible employer's association. It is based on section 467(4) of ICTA.