
Changes to legislation: There are currently no known outstanding effects for the Finance Act 1990, Cross Heading: Management. (See end of Document for details)

SCHEDULES

SCHEDULE 11

EUROPEAN ECONOMIC INTEREST GROUPINGS

Management

2 After section 12 of the ^{M1}Taxes Management Act 1970 there shall be inserted—

“ European Economic Interest Groupings

12A European Economic Interest Groupings.

- (1) In this section “grouping” means a European Economic Interest Grouping formed in pursuance of Council Regulation (EEC) No. 2137/85 of 25th July 1985 (“the Council Regulation”), whether registered in Great Britain, in Northern Ireland, or elsewhere.
- (2) For the purposes of making assessments to income tax, corporation tax and capital gains tax on members of a grouping, an inspector may act under subsection (3) or (4) below.
- (3) In the case of a grouping which is registered in Great Britain or Northern Ireland or has an establishment registered in Great Britain or Northern Ireland, an inspector may by a notice given to the grouping require the grouping—
 - (a) to make and deliver to the inspector within the time limited by the notice a return containing such information as may be required in pursuance of the notice, and
 - (b) to deliver with the return such accounts and statements as may be required in pursuance of the notice.
- (4) In the case of any other grouping, an inspector may by a notice given to any member of the grouping resident in the United Kingdom, or if none is to any member of the grouping, require the member—
 - (a) to make and deliver to the inspector within the time limited by the notice a return containing such information as may be required in pursuance of the notice, and
 - (b) to deliver with the return such accounts and statements as may be required in pursuance of the notice,and a notice may be given to any one of the members concerned or separate notices may be given to each of them or to such of them as the inspector thinks fit.
- (5) Every return under this section shall include a declaration by the grouping or member making the return to the effect that the return is to the best of the maker’s knowledge correct and complete.

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- (6) A notice under this section may require different information, accounts and statements for different periods, in relation to different descriptions of income or gains or in relation to different descriptions of member.
- (7) Notices under this section may require different information, accounts and statements in relation to different descriptions of grouping.
- (8) Subject to subsection (9) below, where a notice is given under subsection (3) above, everything required to be done shall be done by the grouping acting through its manager or, where there is more than one, any of them; but where the manager of a grouping (or each of them) is a person other than an individual, the grouping shall act through the individual, or any of the individuals, designated in accordance with the Council Regulation as the representative of the manager (or any of them).
- (9) Where the contract for the formation of a grouping provides that the grouping shall be validly bound only by two or more managers acting jointly, any declaration required by subsection (5) above to be included in a return made by a grouping shall be given by the appropriate number of managers.”

Marginal Citations

M1 1970 c. 9.

- 3 (1) After section 98A of the ^{M2}Taxes Management Act 1970 there shall be inserted—

“98B European Economic Interest Groupings.

- (1) In this section “grouping” means a European Economic Interest Grouping formed in pursuance of Council Regulation (EEC) No. 2137/85 of 25th July 1985, whether registered in Great Britain, in Northern Ireland, or elsewhere.
- (2) Subject to subsections (3) and (4) below, where a grouping or member of a grouping required by a notice given under section 12A above to deliver a return or other document fails to comply with the notice, the grouping or member shall be liable—
 - (a) to a penalty not exceeding £300; and
 - (b) if the failure continues after a penalty is imposed under paragraph (a) above, to a further penalty or penalties not exceeding £60 for each day on which the failure continues after the day on which the penalty under paragraph (a) above was imposed (but excluding any day for which a penalty under this paragraph has already been imposed).
- (3) No penalty shall be imposed under subsection (2) above in respect of a failure at any time after the failure has been remedied.
- (4) If a grouping to which, or member to whom, a notice is given proves that there was no income or chargeable gain to be included in the return, the penalty under subsection (2) above shall not exceed £100.
- (5) Where a grouping or member fraudulently or negligently delivers an incorrect return, accounts or statement, or makes an incorrect declaration in a return delivered, under section 12A above, the grouping or member shall be

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liable to a penalty not exceeding £3000 multiplied by the number of members of the grouping at the time of delivery.”

- (2) In section 100(2) of that Act (penalties which are imposed by Commissioners), after paragraph (d) there shall be inserted “or
(e) section 98B(2)(a) above.”

Marginal Citations

M2 1970 c. 9.

- 4 (1) At the end of section 36 of the Taxes Management Act 1970 (extension of time for assessment in case of fraudulent or negligent conduct), there shall be added—
- “(4) Any act or omission such as is mentioned in section 98B below on the part of a grouping (as defined in that section) or member of a grouping shall be deemed for the purposes of subsection (1) above to be the act or omission of each member of the grouping.”
- (2) At the end of section 40 of that Act (extension of time for assessment in case of fraudulent or negligent conduct of person who has died), there shall be added—
- “(4) Any act or omission such as is mentioned in section 98B below on the part of a grouping (as defined in that section) or member of a grouping shall be deemed for the purposes of subsection (2) above to be the act or omission of each member of the grouping.”

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