

“Liabilities” - means the liabilities of the Participating Companies to the tax calculated as mentioned in paragraph 8(1) of Schedule 18 that are due and payable under section 59D(1) of the Taxes Management Act 1970 or, as the case may be, are payable or treated as becoming due and payable by those companies under regulations 4, 4A, 4B, 4C, 4D, 5 and 5A (as applicable) of the Corporation Tax (Instalment Payments) Regulations 1998 (SI 1998/3175);

“the [] Group of Companies” - means the group of which the Nominated Company is a member, designated by that or any other name;

“the Nominated Company” - means [] Company (designated by that or any other name) which is resident in the United Kingdom and has entered into the Arrangement on behalf of itself and the other Participating Companies, and any other Participating Company which the Participating Companies and the Board have agreed shall be the Nominated Company pursuant to clause 22 of the Arrangement;

“the Participating Companies” means all such companies in the [] Group of Companies, including the Nominated Company and the other companies named in the Schedule, as from time to time are subject to the Arrangement; and “Participating Company” means any such company;

“Period of Account” means any period not exceeding 12 months for which the Nominated Company draws up its accounts, commencing with the period starting on [] and ending on [];

“Relevant Accounting Period” means –

- (a) an accounting period of a Participating Company which is coextensive with a Period of Account, or
- (b) an accounting period of a Participating Company which, while not coextensive with a Period of Account, falls wholly within and is coterminous with that Period of Account, or
- (c) an accounting period of a Participating Company which falls wholly within, but ends before the end of, a Period of Account and is followed by an accounting period of the

Participating Company that is coterminous with that Period of Account;

“Schedule 18” means Schedule 18 to the Finance Act 1998.

- (2) Unless the context otherwise requires, in the Arrangement the singular shall import the plural, and vice versa.

PAYMENT OBLIGATIONS OF THE NOMINATED COMPANY IN RELATION TO A PERIOD OF ACCOUNT

2. Subject to the following provisions of the Arrangement, the Nominated Company shall, in consideration of the obligations of the Board contained in the Arrangement, and the other rights given to the Nominated Company under the Arrangement, discharge Liabilities of the Participating Companies arising in respect of Relevant Accounting Periods attributable to any Period of Account, in the manner specified in clauses 3.1 and 3.2 below.
- 3.1. Subject to clause 3.2, the quantum of Liabilities to be discharged by the Nominated Company shall be determined by the Corporation Tax Acts and Regulations made under those Acts, and Liabilities shall be discharged by the Nominated Company on the dates they would, but for the Arrangement, have been discharged by the Participating Companies under the Corporation Tax Acts and Regulations made under those Acts.
- 3.2. For the purpose of the Nominated Company’s obligations under the Arrangement (but not otherwise), the quantum of Liabilities to be discharged in respect of Relevant Accounting Periods of the Participating Companies by the Nominated Company under the Arrangement shall be deemed not to be affected by any amendment to a self assessment or any other matter (in relation to any of the Participating Companies) occurring after the Closing Date.

CLAIMS FOR REPAYMENT OF EXCESS AMOUNTS BY REASON OF CHANGE OF CIRCUMSTANCES

- 4.1. Clause 4.2 shall apply where the Nominated Company has made a payment or payments under the Arrangement in respect of Relevant Accounting Periods of the Participating Companies and subsequently has grounds for believing that by reason of a change of circumstances in any of the Participating Companies,
- (a) the liability of the Nominated Company under the Arrangement in respect of those accounting periods is likely to be less than previously calculated, and

- (b) the amount or amounts so paid exceed the Nominated Company's revised calculation of the total amount which would have been due and payable under the Arrangement in respect of those accounting periods before the date of the claim under clause 4.2.
- 4.2. The Nominated Company may, by notice in writing given to the Board prior to the Closing Date for that Period of Account, make a claim for repayment of what it considers to be the excess amount paid, such notice specifying the grounds referred to in clause 4.1, and, where more than one payment has been made, specifying which payment or payments (or part thereof) the Nominated Company wishes to be repaid to it. The Board may repay to the Nominated Company part or all of the amount claimed by it and shall specify which payment or payments or part thereof are being so repaid.
- 4.3. Where a repayment is made under clause 4.2, section 826 of the Income and Corporation Taxes Act 1988, as modified by regulation 8 of the Corporation Tax (Instalment Payments) Regulations 1998, shall apply as if –
 - (a) the repayment was to a large company within the meaning of those Regulations,
 - (b) the amount or amounts on which interest is due were the amount or amounts repaid, and
 - (c) any interest was not payable until after the Closing Date.

LIMITATIONS ON THE BOARD'S RIGHT OF RECOVERY

- 5. Subject to the following provisions of the Arrangement, the Board shall not take any steps prior to the Closing Date to recover Liabilities in respect of Relevant Accounting Periods from the Participating Companies, but the Board's right to recover Liabilities shall not be otherwise affected.

CALCULATION OF MONIES PAYABLE UNDER THE ARRANGEMENT (OR CREDIT BALANCES)

- 6. The Board shall, after the Closing Date, give notice in writing to the Nominated Company showing the Board's calculation of the balance of monies payable by the Nominated Company under the Arrangement in respect of Relevant Accounting Periods (or, alternatively, any credit balance in the case of overpayment). The balance of monies thus payable (or any credit balance) shall be calculated by setting the aggregate of Liabilities of the Participating Companies in respect of Relevant Accounting Periods as at the Closing Date, as shown on their self assessments or determinations by the Board (as the case may be), against the aggregate of payments made by the Nominated Company under the Arrangement in respect of

those periods. The Board's calculation shall (subject to amendment in the event of error on the part of the Board) be final and conclusive and binding on the Nominated Company.

- 7.1. Any credit balance under clause 6 above shall form part of the monies which may be apportioned or re-apportioned under the following provisions of the Arrangement, unless the Nominated Company requests repayment within thirty days from the date the Board gives notice under clause 6, or by the date the Nominated Company gives notice under clause 8.1 below (if earlier). The Nominated Company shall specify, when requesting repayment, which payment or payments or part thereof it wishes to be repaid to it, and the Board shall comply with such specification.
- 7.2. Where a repayment is made under clause 7.1, section 826 of the Income and Corporation Taxes Act 1988, as modified by regulation 8 of the Corporation Tax (Instalment Payments) Regulations 1998, shall apply as if –
- (a) the repayment was to a large company within the meaning of those Regulations, the total liability of which was equal to the aggregate of Liabilities of the Participating Companies as determined under clause 6, and
 - (b) the payments taken into account in calculating the repayment were payments in respect of that liability.

APPORTIONMENT OF PAYMENTS

- 8.1. Subject to clauses 10.1, 10.2, 12.1, and 12.2 below, the Nominated Company shall have the right, exercisable by giving notice in writing to the Board and in accordance with clause 8.2, irrevocably to apportion payments made by the Nominated Company under the Arrangement, to the extent that they have not been repaid and have not already been apportioned, to any of the Participating Companies.
- 8.2. The right of the Nominated Company specified in clause 8.1 shall be contingent on the Board giving notice under clause 6 above, and shall be exercisable at any time prior to the Board giving notice under clause 9 below.
9. Subject to clauses 12.1 and 12.2 below, to the extent that payments remain unapportioned after thirty days from the date the Board give notice under clause 6 above, such payments shall be apportioned by the Board to any of the Participating Companies. The Board shall give notice in writing of such apportionments to the Nominated Company, which shall have the right, exercisable within a period of thirty days from the date the Board gives notice under this clause, to amend the Board's apportionments.

- 10.1 Subject to clauses 10.2, 12.1, and 12.2 below, in circumstances where any Liabilities to be discharged by the Nominated Company under the Arrangement (as calculated in accordance with clause 6 above) remain outstanding (either in whole or in part) the Board shall also have the right, as often as is necessary to discharge those Liabilities, to re-apportion any given payment or payments made by the Nominated Company (and apportioned by the Nominated Company under Clause 8.1 or by the Board under Clause 9 above) to any of the Participating Companies. The Board shall give notice in writing of such re-apportionments to the Nominated Company. Neither the Nominated Company nor any other Participating Company shall have power to amend such re-apportionments.
- 10.2. For the purposes of the Board's power of re-apportionment (and the consequent discharge of Liabilities) specified above –
- (a) to the extent that any Liabilities decrease after the Closing Date, such decrease shall be left out of account;
 - (b) payments made (by the Nominated Company or otherwise) after any apportionment shall not be apportioned under the Arrangement and shall be deemed to discharge any increase (or a proportionate part thereof if the payments are not sufficient to discharge the entire increase) in the liabilities of the company by whom or on whose behalf the payment is made, in priority to the balance of Liabilities under the Arrangement;
 - (c) Subject to sub-clause (a) of this clause 10.2., the Board shall only re-apportion to the extent necessary to discharge Liabilities.
11. Payments finally apportioned in accordance with clauses 8 to 10 above, and in accordance with sub-clause (c) of clause 14.1., and sub-clauses (a)-(e) of clause 20.3., shall be deemed for all purposes of the Corporation Tax Acts and Regulations made under those Acts (apart from paragraph 18 of Schedule 18) to have been made by the Participating Companies in the amounts so apportioned and on the dates such payments were made by the Nominated Company.
- 12.1 For the purposes of the tax-related penalty specified in paragraph 18 of Schedule 18 (but not otherwise), payments made by the Nominated Company under the Arrangement in respect of Relevant Accounting Periods, to the extent they have not been repaid and have not already been apportioned under clause 14(c) below, shall be deemed to be apportioned at the expiry of the time limit specified in sub-paragraph (2)(a) of the said paragraph 18, to the Participating Companies in the following order (such deemed apportionment not being contingent on the Board giving notice under clause 6 above) -

- (a) to such of the Participating Companies as shall have delivered a company tax return within the time limits specified in sub-paragraph (1) of the said paragraph 18;
- (b) to such of the Participating Companies as shall have delivered a company tax return within the time limit specified in sub-paragraph (2)(a) of the said paragraph 18;
- (c) to such of the Participating Companies as either shall have failed to deliver a company tax return or shall have done so outside the time limit specified in sub- paragraph (2)(a) of the said paragraph 18.

12.2. Where there is more than one Participating Company falling within either or both of sub clauses (b) and (c) of clause 12.1. the Board shall have the right, for the purpose of clause 12.1, to apportion payments to any individual companies falling within the same category.

REMOVAL OF COMPANIES FROM THE ARRANGEMENT OTHERWISE THAN BY AGREEMENT

13.1. The Nominated Company shall immediately remove any of the Participating Companies (other than the Nominated Company) from the Arrangement, by giving notice in writing to that effect to the Board, if such company has ceased to be a member of the [] Group of Companies or if, with respect to a Period of Account, it has no Relevant Accounting Period.

13.2. The Board shall have the right, exercisable at any time prior to the expiry of six months from the Closing Date, to remove any of the Participating Companies (other than the Nominated Company) from the Arrangement, by giving notice in writing to that effect to the Nominated Company if the Board have reason to believe that such company was not a member of the [] Group of Companies at the date it became subject to the Arrangement, or if the Board consider that the Nominated Company should have removed such company from the Arrangement under clause 13.1.

14. Removal of any of the Participating Companies from the Arrangement under clause 13.1 and 13.2 above shall have the following effects –

- (a) the obligations of the Nominated Company under the Arrangement shall no longer extend to Liabilities of any such company in respect of any accounting period ending after the date on which notice of removal of such company is given to the Board under clause 13.1 or by the Board under clause 13.2;
- (b) the restriction on the Board's rights under clause 5 above to recover the Liabilities referred to in paragraph (a) above shall no longer apply;

- (c) the Nominated Company may, by giving notice in writing to the Board when or before giving notice in writing in respect of an Accounting Period under clause 8.1. above, but not later than the date on which the relevant return is filed or determination is made, if earlier, apportion payments made by the Nominated Company under the Arrangement, to the extent they have not been repaid, and have not already been apportioned, to such company;
- (d) where the Nominated Company has apportioned payments to such company under clause 8.1 above prior to the removal by the Board of such company from the Arrangement under clause 13.2, the Nominated Company may, within thirty days of the date of notice by the Board under clause 13.2, re-apportion such payments to any of the Participating Companies.

REMOVAL OF COMPANIES FROM THE ARRANGEMENT BY AGREEMENT

- 15.1. Subject to clause 15.2., by agreement in writing between the Board and the Nominated Company, any of the Participating Companies may be removed from the Arrangement.
- 15.2. As regards any company removed from the Arrangement under clause 15.1., the effect of such agreement shall be to terminate the rights and obligations (in relation to such company) of the parties to the Arrangement in respect of any accounting period of such company for which the date of the first instalment of corporation tax (treated as becoming due and payable by such company under regulations 4, 4A, 4B, 4C, 4D, 5 and 5A (as applicable) of the Corporation Tax (Instalment Payments) Regulations 1998) falls after the date of the agreement referred to in clause 15.1, or would fall after the date of that agreement if the company were a large company within the meaning of those Regulations.
- 15.3. Apart from clause 14 above and this clause, the obligations and rights of the parties to the Arrangement shall be unaffected by removal of any of the Participating Companies from the Arrangement and, subject to any provisions of the Arrangement and of the Corporation Tax Acts and Regulations made under those Acts to the contrary, any acts done or deemed to be done under the Arrangement shall be unaffected.

ADDITION OF COMPANIES TO THE ARRANGEMENT

- 16.1. Subject to clause 16.2, by agreement in writing between the Board and Nominated Company, further companies in the [] Group of Companies may become subject to the Arrangement.

- 16.2. As regards a company becoming subject to the Arrangement under clause 16.1., such agreement shall be effective in relation to any Relevant Accounting Period of that company if made before the date on which the first instalment of corporation tax is treated as becoming due and payable by such company for that period under regulations 4, 4A, 4B, 4C, 4D, 5 and 5A (as applicable) of the Corporation Tax (Instalment Payments) Regulations 1998, or would be treated as becoming due and payable if the company were a large company within the meaning of those Regulations.

PROVISION OF LIST OF PARTICIPATING COMPANIES AND NOTIFICATION OF INTENDED CHANGE OF PERIOD OF ACCOUNT

- 17.1. Where during a Period of Account a company or companies have become subject to the Arrangement and/or have been removed from the Arrangement, the Nominated Company shall provide the Board with a list of the Participating Companies in relation to that Period of Account.
- 17.2. The Nominated Company shall notify the Board in writing of any intention to draw up accounts to a date other than a date to which it drew up accounts in the previous calendar year.

TERMINATION OF THE ARRANGEMENT BY THE NOMINATED COMPANY OR THE BOARD

- 18.1. Either the Nominated Company or the Board may at any time terminate the Arrangement by giving notice in writing to that effect to the other party.
- 18.2. The effect of termination of the Arrangement under clause 18.1. shall be to terminate the rights and obligations of the parties to the Arrangement in relation to Relevant Accounting Periods in respect of which the dates of the first instalments of corporation tax (treated as becoming due and payable under regulations 4, 4A, 4B, 4C, 4D, 5 and 5A (as applicable) of the Corporation Tax (Instalment Payments) Regulations 1998) fall after the date notice is given under clause 18.1 or, in the case of any companies that are not large companies within the meaning of those Regulations, would fall after that date if the companies were large companies.

TERMINATION OF THE ARRANGEMENT BY THE BOARD IN SPECIFIED CIRCUMSTANCES

19. Without prejudice to the Board's right of termination under clause 18.1, the Board shall also have the right forthwith to terminate the Arrangement by giving notice in writing to the Nominated Company under the following circumstances -

- (a) if any of the Participating Companies either is in default of its obligation to pay corporation tax, or is in default of its obligation to file a company tax return in relation to an accounting period where such obligations arise whilst the Arrangement is in being;
 - (b) if the Nominated Company is in breach of any of its obligations under the Arrangement;
 - (c) if the Board have reason to believe that any member of the [] Group of Companies (including the Participating Companies) may become liable to tax under section 710 or section 713 of the Corporation Tax Act 2010.
- 20.1. The provisions specified in clauses 20.2. to 20.4. shall survive termination of the Arrangement under clause 19.
- 20.2. Subject to any provisions of the Arrangement and of the Corporation Tax Acts and Regulations made under those Acts to the contrary, any acts done or deemed to be done under the Arrangement shall be unaffected by its termination under clause 19.
- 20.3. With respect to payments made under the Arrangement which have not been repaid and which have not already been apportioned (or have not already been deemed to be apportioned) at the date notice is given under clause 19 above, the following provisions shall apply, sub-clauses (a) to (d) being subject to sub-clause (f), and sub-clause (d) also being subject to sub-clause (e) –
- (a) the Nominated Company shall have the right, exercisable by giving notice in writing to the Board and within a period of thirty days from the date notice is given under clause 19. above, irrevocably to apportion such payments to any of the Participating Companies;
 - (b) to the extent that the Nominated Company fails to exercise its right as specified in sub-clause (a) of this clause 20.3, the Board shall have the right, exercisable within a period of sixty days from the date notice is given under clause 19, to nominate, by giving notice in writing to the Nominated Company, one of the Participating Companies (other than the Nominated Company) for the purpose of exercising the right of the Nominated Company under sub-clause (a) of this clause 20.3. The company so nominated shall have a period of thirty days from the date notice of nomination is given to exercise its right;

- (c) to the extent that payments still remain unapportioned (including by reason of the Board not exercising their right under sub-clause (b) of this clause 20.3), such payments shall be apportioned by the Board to any of the Participating Companies. The Board shall give notice in writing to the Nominated Company of such apportionments;
- (d) the Board shall also have the right, as often as is necessary to discharge outstanding Liabilities under the Arrangement, to re-apportion any given payment or payments made by the Nominated Company (and apportioned by the Nominated Company, or other Participating Company, under sub-clauses (b) and (c) of this clause 20.3) to any of the Participating Companies. The Board shall give notice in writing of such re-apportionments to the Nominated Company. Neither the Nominated Company nor any other Participating Company shall have the power to amend such reapportionments (or any apportionments made under sub-clause (c) of this clause 20.3.);
- (e) the provisions of clause 10.2. above shall apply to the Board's power of reapportionment under sub-clause (d) of this clause 20.3., except that the relevant date shall not be the Closing Date but the date notice is given under clause 19 above;
- (f) clauses 11, 12.1 and 12.2 above shall apply to such payments.

20.4. The Board shall be obliged to consider any claims made to it under clause 4.2. above if such claims were made prior to the date notice was given under clause 19 above.

OTHER PROVISIONS

21. All payments to be made by the Nominated Company under the Arrangement shall be made by electronic funds transfer.

22. By agreement between the Participating Companies and the Board another Participating Company may become the Nominated Company in place of [] Company or any successor Nominated Company.

23. The Arrangement shall be governed and construed in accordance with English Law.

SIGNED for and on behalf of the Commissioners of His Majesty's Revenue and Customs by:	SIGNED for and on behalf of the Nominated Company by the following director:
Name_____	Name_____
Print Name_____	Print Name_____
Title of Post_____	Title of Post_____

SCHEDULE

APPLICATION FOR A GROUP PAYMENT ARRANGEMENT

Please complete in block capitals.

DETAILS OF NOMINATED COMPANY (Note 1)

NAME _____

ADDRESS

Postcode _____

UTR _____

CONTACT NAME (Note 2) _____

Capacity _____

CONTACT ADDRESS

Postcode _____

CONTACT TELEPHONE NO _____

CONTACT FAX NO _____

GROUP PAYMENT PERIOD DETAILS (Note 3)

START DATE _____

END DATE _____

PROPOSED GROUP ACCOUNT NAME (Note 4)

G P R _____

INTENDED METHOD OF PAYMENT (Note 5)

CHAPS

BACS

BANK GIRO

PARTICIPATING COMPANIES (Note 6) - see Overleaf

Director signing: _____

DATE _____

COMPLETION NOTES

- (1) Nominated Company - this is the Company within your Group responsible for administering your Group Payment Arrangements.
- (2) Contact Name - enter details of the person within the Nominated Company who will act as a contact point.
- (3) Group Payment Period - enter the start and end date of the first Period of Account to be covered by the arrangement.
- (4) Proposed Name - enter a name of no more than 52 characters (including any spaces) which you would like us to use for your Group Payment Arrangement. (Note that for administrative purposes we will add the suffix 'GPR' to the name you choose.)
- (5) Indicate which method of payment you intend to use by ticking the appropriate box. Note: any payments exceeding £20m will need to be made by CHAPS instead of Bacs, due to a cap introduced by the Board of Bacs Payment Schemes Ltd.
- (6) Participating Companies are the Companies you want to be part of your Group Payment Arrangement.

