

Hive up checklist

Checklist of administrative matters to be considered on a transfer of trade and assets

The following are among the more important administrative matters that should be dealt with:

		Date	Initials
1	Agreement to transfer trade, assets and undertaking required.		
2	Valuations will need to be considered to ensure that assets are transferred at the correct value for tax and accounting purposes.		
3	Undisclosed/disclosed agency agreements to be drawn up if applicable.		
4	If you are transferring land and buildings, it will be necessary to confirm that a transfer of leasehold land or buildings would not result in the breaking of any covenants in the lease; consent of the landlord may be required.		
5	Ownership of assets must be beneficially transferred.		
6	Conveyances and assignments will normally be required regarding freehold and leasehold properties.		
7	UK and overseas trademarks, copyrights and registered designs, patents, manufacturing licences etc will have to be transferred.		
8	The VAT position will need to be checked to see whether the transfer will fall within the conditions for a transfer of a business as a going concern (TOGC). Where this does not apply, the sale of the assets will potentially be subject to VAT.		
9	Original agreements for acquisition of subsidiary's shares or trade should be examined to ensure that the transfer of trade etc is permitted, and that no breach of warranties/indemnities will occur and, for example, a provision for a buy-back is not triggered.		
10	Service agreements may have to be transferred and the provisions of the relevant employment legislation (e.g. The Transfer of Undertakings (Protection of Employment) Regulations 2006) complied with. It should be ensured that any such transfers do not result in an immediate liability under the redundancy payments or similar legislation.		
11	The position of pensions requires consideration, and any transfer of pension funds and rights will need HMRC approval.		
12	HMRC's offices dealing with the company's PAYE, NI and VAT will need to be advised of the transfers.		
13	Banking arrangements (including guarantees) may have to be revised; new signatories may be required. May also need to consider the impact on any discounting arrangements here.		
14	Insurances will have to be transferred.		
15	Customers and suppliers will have to be notified. Additional attention may be warranted for the top [10] customers / suppliers to ensure there are no change of control clauses in contracts. Credit facilities will need to be confirmed. Where the recipient business has no credit record, then it should be borne in mind that initially payment on receipt may be required whilst their credit history develops.		
16	The position regarding trade unions and staff should be considered.		
17	Authorities and organisations dealing with rates, council tax, water, electricity, gas, sundry licences, vehicle registration etc will have to be advised.		
18	Telephone and postal services will have to be notified and stationery will need to be reprinted.		
19	Hire purchase agreements may require novation.		
20	Guarantees and indemnities given and received will have to be reviewed, subject to the terms of the relevant agreements.		