

SCHEDULES

SCHEDULE 13

CHANGES TO EIS ETC

PART I

EIS INCOME TAX RELIEF

Qualifying companies and qualifying trades

- 9 (1) In subsection (3B)(b) of section 293 of the Taxes Act 1988, after the word “activities” there shall be inserted the words “(other than research and development and oil exploration)”.
- (2) In paragraph (a) of subsection (6) of that section, the words “it is shown that” shall cease to have effect.
- (3) After that subsection there shall be inserted the following subsections—
- “(6A) The value of the relevant assets—
- (a) must not exceed £15 million immediately before the issue of the eligible shares; and
- (b) must not exceed £16 million immediately afterwards.
- (6B) Subject to subsection (6C) below, the reference in subsection (6A) above to the value of the relevant assets is a reference—
- (a) in relation to a time when the company did not have any qualifying subsidiaries, to the value of the gross assets of the company at that time; and
- (b) in relation to any other time, to the aggregate value at that time of the gross assets of all the companies in the company’s group.
- (6C) For the purposes of subsection (6B) above assets of any member of the company’s group that consist in rights against, or in shares in or securities of, another member of the group shall be disregarded.
- (6D) In subsections (6B) and (6C) above references, in relation to any time, to the company’s group are references to the company and its qualifying subsidiaries at that time.”
- (4) Subsection (7) of that section shall cease to have effect.
- (5) In subsection (8) of that section, for the words “Subject to section 308” there shall be substituted the words “Subject to sections 304A and 308”.
- (6) Sub-paragraph (2) above has effect in relation to events occurring on or after 6th April 1998.

Status: This is the original version (as it was originally enacted).

- 10 In subsection (1) of section 297 of the Taxes Act 1988, the words “Subject to section 298(7) below” shall cease to have effect.
- 11 In subsection (1) of section 298 of the Taxes Act 1988, for the words “sections 293(9) and 297” there shall be substituted the words “section 297”.