

Status: Point in time view as at 13/08/2009.

Changes to legislation: Finance Act 2007, Cross Heading: Enterprise investment scheme is up to date with all changes known to be in force on or before 18 September 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

SCHEDULES

SCHEDULE 16

VENTURE CAPITAL SCHEMES ETC

PART 2

LIMIT ON AMOUNT RAISED ANNUALLY BY COMPANY THROUGH RISK CAPITAL SCHEMES

Enterprise investment scheme

- 5 (1) Part 5 of ITA 2007 is amended as follows.
- (2) In section 172 (overview of Chapter), after paragraph (a) insert—
- “(aa) the maximum amount raised annually through risk capital schemes (see section 173A),”.

- (3) After section 173 insert—

“173A The maximum amount raised annually through risk capital schemes requirement

- (1) The total amount of relevant investments made in the issuing company in the year ending with the date the relevant shares are issued must not exceed £2 million.
- (2) In subsection (1), the reference to relevant investments made in the issuing company includes relevant investments made in any company that is, or has at any time in the year mentioned there been, a subsidiary of the issuing company (whether or not it was such a subsidiary when the investment was made).
- (3) A “relevant investment” is made in a company if—
- (a) an investment (of any kind) in the company is made by a VCT, or
- (b) the company issues shares (money having been subscribed for them), and (at any time) the company provides—
- (i) a compliance statement under section 205, or
- (ii) a compliance statement under paragraph 42 of Schedule 15 to FA 2000 (corporate venturing scheme),
- in respect of the shares.
- (4) An investment within subsection (3)(b) is regarded as made when the shares are issued.”
- (4) In section 239(1) (withdrawal etc of relief: date from which interest is chargeable), in column 1 of the Table, after “163,” insert “;173A”.

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- (5) The amendments made by this paragraph do not have effect in relation to shares issued to the managers of an approved fund which closed before the day on which this Act is passed.
- (6) Paragraph 2(5) (meaning of “the managers of an approved fund” etc) applies for the purposes of sub-paragraph (5).

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