



# Income Tax Act 2007

## 2007 CHAPTER 3

### PART 5

#### ENTERPRISE INVESTMENT SCHEME

### CHAPTER 2

#### THE INVESTOR

#### *The requirements*

#### **163 The no connection with the issuing company requirement**

- (1) The investor must not be connected with the issuing company (whether before or after its incorporation) at any time during the period—
  - (a) beginning two years before the issue of the shares, and
  - (b) ending immediately before the termination date relating to the shares.
- (2) This is subject to section 169(1).

#### **164 The no linked loans requirement**

- (1) No linked loan is to be made by any person, at any time in period A, to the investor or an associate of the investor.
- (2) In this section “linked loan” means any loan which—
  - (a) would not have been made, or
  - (b) would not have been made on the same terms,if the investor had not subscribed for the relevant shares, or had not been proposing to do so.

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*Status: Point in time view as at 21/07/2009.*

*Changes to legislation: There are currently no known outstanding effects for the Income Tax Act 2007, Cross Heading: The requirements. (See end of Document for details)*

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- (3) References in this section to the making by any person of a loan to the investor or an associate of the investor include references—
- (a) to the giving by that person of any credit to the investor or any associate of the investor, and
  - (b) to the assignment to that person of a debt due from the investor or any associate of the investor.

## **165 The no tax avoidance requirement**

The relevant shares must be subscribed for by the investor for genuine commercial reasons, and not as part of a scheme or arrangement the main purpose or one of the main purposes of which is the avoidance of tax.

**Status:**

Point in time view as at 21/07/2009.

**Changes to legislation:**

There are currently no known outstanding effects for the Income Tax Act 2007, Cross Heading:  
The requirements.