



Income Tax Act 2007

2007 CHAPTER 3

[^{F1}PART 5A

SEED ENTERPRISE INVESTMENT SCHEME

[^{F1}CHAPTER 1

INTRODUCTION

Textual Amendments

- F1** Pt. 5A inserted (17.7.2012) (with effect in accordance with Sch. 6 para. 24(1) of the amending Act) by Finance Act 2012 (c. 14), [Sch. 6 para. 1](#)

SEIS relief

257A Meaning of “SEIS relief” and commencement

- (1) This Part provides for SEIS income tax relief (“SEIS relief”), that is, entitlement to tax reductions in respect of amounts subscribed by individuals for shares in companies carrying on new businesses.
- (2) In this Part “SEIS” stands for the seed enterprise investment scheme.
- (3) This Part has effect only in relation to shares issued—
 - (a) on or after 6 April 2012, but
 - (b) before 6 April 2017.
- (4) The Treasury may by order substitute a later date for the date for the time being specified in subsection (3)(b).

Status: Point in time view as at 17/07/2012.

Changes to legislation: There are currently no known outstanding effects for the Income Tax Act 2007, CHAPTER 1. (See end of Document for details)

257AA Eligibility for SEIS relief

An individual (“the investor”) is eligible for SEIS relief in respect of an amount subscribed by the investor on the investor's own behalf for an issue of shares in a company (“the issuing company”) if—

- (a) the shares (“the relevant shares”) are issued to the investor,
- (b) the investor is a qualifying investor in relation to the relevant shares (see Chapter 2),
- (c) the general requirements (including requirements as to the purpose of the issue of shares and the use of money raised) are met in respect of the relevant shares (see Chapter 3), and
- (d) the issuing company is a qualifying company in relation to the relevant shares (see Chapter 4).

257AB Form and amount of SEIS relief

- (1) If an individual—
 - (a) is eligible for SEIS relief in respect of any amount subscribed for shares, and
 - (b) makes a claim in respect of all or some of the shares included in the issue,
 the individual is entitled to a tax reduction for the tax year in which the shares were issued (“the current tax year”).

This is subject to the provisions of this Part.

- (2) The amount of the tax reduction to which the individual is entitled is the amount equal to tax at the SEIS rate for the current tax year on—
 - (a) the amount or, as the case may be, the sum of the amounts subscribed for shares issued in that year in respect of which the individual is eligible for and claims SEIS relief, or
 - (b) if less, £100,000.
- (3) In this Part “the SEIS rate” means 50%.
- (4) The tax reduction is given effect at Step 6 of the calculation in section 23.
- (5) If in the case of any issue of shares—
 - (a) which are issued in the current tax year, and
 - (b) in respect of the amount subscribed for which the individual is eligible for SEIS relief,

the individual so claims, subsections (1) and (2) apply as if, in respect of such part of that issue as may be specified in the claim, the shares had been issued in the preceding tax year, and the individual's liability to tax for both tax years is determined accordingly.

Miscellaneous

257AC Meaning of “period A” and “period B”

- (1) This section applies for the purposes of this Part in relation to any shares issued by a company.
- (2) “Period A” means the period—

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- (a) beginning with the incorporation of the company, and
 - (b) ending immediately before the termination date relating to the shares.
- (3) “Period B” means the period—
- (a) beginning with the issue of the shares, and
 - (b) ending immediately before the termination date relating to the shares.
- (4) In this section “the termination date”, in relation to the shares, means the third anniversary of the date on which the shares are issued.

257AD Overview of other Chapters of Part

In this Part—

- (a) Chapter 5 provides for the attribution of SEIS relief to shares and the making of claims for such relief,
- (b) Chapter 6 provides for SEIS relief to be withdrawn or reduced in the circumstances mentioned in that Chapter,
- (c) Chapter 7 makes provision with respect to the procedure for the withdrawal or reduction of SEIS relief, and
- (d) Chapter 8 contains supplementary and general provisions.

257AE CGT reliefs relating to SEIS

- (1) Section 150E of TCGA 1992 makes provision about gains or losses on the disposal of shares to which SEIS relief is attributable.
- (2) Schedule 5BB to that Act provides relief in respect of the re-investment under SEIS of the proceeds of assets disposed of in circumstances where there would otherwise be a chargeable gain.]

Status:

Point in time view as at 17/07/2012.

Changes to legislation:

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