

Status: Point in time view as at 12/01/2000.

Changes to legislation: Taxation of Chargeable Gains Act 1992, Cross Heading: Application of Schedule is up to date with all changes known to be in force on or before 01 July 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

[^{F1}SCHEDULE 5B

ENTERPRISE INVESTMENT SCHEME: RE-INVESTMENT

Textual Amendments

- F1** Sch. 5B inserted (with effect in accordance with Sch. 13 para. 4(4) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), [Sch. 13 para. 4\(3\)](#)

Application of Schedule

- 1 (1) This Schedule applies where—
- (a) there would (apart from paragraph 2(2)(a) below) be a chargeable gain (“the original gain”) accruing to an individual (“the investor”) at any time (“the accrual time”) on or after 29th November 1994;
 - (b) the gain is one accruing either on the disposal by the investor of any asset or in accordance with [^{F2}section 164F or 164FA,] paragraphs 4 and 5 below or paragraphs 4 and 5 of Schedule 5C;
 - (c) the investor makes a qualifying investment; and
 - (d) the investor is resident or ordinarily resident in the United Kingdom at the accrual time and the time when he makes the qualifying investment and is not, in relation to the qualifying investment, a person to whom subparagraph (4) below applies.
- [^{F3}(2) The investor makes a qualifying investment for the purposes of this Schedule if—
- (a) eligible shares in a company for which he has subscribed wholly in cash are issued to him at a qualifying time and, where that time is before the accrual time, the shares are still held by the investor at the accrual time,
 - (b) the company is a qualifying company in relation to the shares,
 - (c) at the time when they are issued the shares are fully paid up (disregarding for this purpose any undertaking to pay cash to the company at a future date),
 - (d) the shares are subscribed for, and issued, for bona fide commercial purposes and not as part of arrangements the main purpose or one of the main purposes of which is the avoidance of tax,
 - (e) the requirements of section 289(1A) of the Taxes Act are satisfied in relation to the company,
 - (f) all the shares comprised in the issue are issued in order to raise money for the purpose of a qualifying business activity, and
 - (g) the money raised by the issue is employed not later than the time mentioned in section 289(3) of the Taxes Act wholly for the purpose of that activity,
- and for the purposes of this Schedule, the condition in paragraph (g) above does not fail to be satisfied by reason only of the fact that an amount of money which is not significant is employed for another purpose.

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- (3) In sub-paragraph (2) above “a qualifying time”, in relation to any shares subscribed for by the investor, means—
- (a) any time in the period beginning one year before and ending three years after the accrual time, or
 - (b) any such time before the beginning of that period or after it ends as the Board may by notice allow.]
- (4) This sub-paragraph applies to the investor in relation to a qualifying investment if—
- (a) though resident or ordinarily resident in the United Kingdom at the time when he makes the investment, he is regarded for the purposes of any double taxation relief arrangements as resident in a territory outside the United Kingdom, and
 - (b) were section 150A to be disregarded, the arrangements would have the effect that he would not be liable in the United Kingdom to tax on a gain arising on a disposal, immediately after their acquisition, of the shares acquired in making that investment.]

Textual Amendments

- F2** Words in Sch. 5B para. 1(1)(b) inserted (with effect in accordance with s. 74(3) of the amending Act) by [Finance Act 1998 \(c. 36\)](#), [Sch. 13 para. 27\(1\)](#)
- F3** Sch. 5B para. 1(2)(3) substituted (with effect in accordance with s. 74(3) of the amending Act) by [Finance Act 1998 \(c. 36\)](#), [Sch. 13 para. 27\(2\)](#)

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