

Status: Point in time view as at 17/07/2013.

Changes to legislation: Taxation of Chargeable Gains Act 1992, Paragraph 19 is up to date with all changes known to be in force on or before 26 June 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\(3\)](#)

[^{F2} Interpretation

Textual Amendments

- F2** Sch. 5B paras. 16-19 and cross-headings inserted (with effect in accordance with s. 74(3) of the amending Act) by [Finance Act 1998 \(c. 36\)](#), [Sch. 13 para. 36](#)

- 19 (1) For the purposes of this Schedule—
- [^{F3}“51 per cent. subsidiary” has the meaning given by [^{F4}Chapter 3 of Part 24 of CTA 2010];]
- [^{F5}“arrangements” includes any scheme, agreement, understanding, transaction or series of transactions (whether or not legally enforceable);]
- “associate” has the meaning that would be given by [^{F6}section 448 of CTA 2010 if in that section] “relative” did not include a brother or sister;
- [^{F7}“bonus shares” means shares which are issued otherwise than for payment (whether in cash or otherwise);]
- ^{F8}
- “eligible shares” has the meaning given by section 289(7) of [^{F9}the Taxes Act or means shares that meet the requirement in section 173 (2) of ITA 2007];
- ^{F10}
- “non-resident” means a person who is [^{F11}not resident] in the United Kingdom;
- “ordinary share capital” has [^{F12}the meaning given by section 989 of ITA 2007];
- “ordinary shares”, in relation to a company, means shares forming part of its ordinary share capital;
- [^{F13}“the period of restriction”, in relation to any shares, means the period—
- (a) beginning one year before the shares are issued, and
 - (b) ending immediately before the termination date relating to the shares;]

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“qualifying business activity” has the meaning given by section 289(2) of the Taxes Act [^{F14}or section 179 of ITA 2007];

[^{F15}“qualifying company”, in relation to any eligible shares, means a company which, in relation to those shares, is—

- (a) a qualifying company for the purposes of Chapter 3 of Part 7 of the Taxes Act (except that for the purposes of this Schedule the reference in section 293(1B)(b)(i) of that Act to section 304A of that Act shall be read as a reference to paragraph 8 above), or
- (b) a qualifying company for the purposes of Part 5 of ITA 2007 (except that for the purposes of this Schedule the reference in section 184(1)(c)(i) of that Act to section 247 of that Act shall be read as a reference to paragraph 8 above).]

“the relevant period”, in the case of any shares, means the period found by applying section 312(1A)(a) of [^{F16}the Taxes Act or section 159(2) of ITA 2007] by reference to the company that issued the shares and by reference to the shares;

^{F17}
^{F10}

[^{F18}“termination date”, in relation to any shares, means the date found by applying the definition of “termination date” in section 312(1) of the Taxes Act [^{F19}or section 256 of ITA 2007] by reference to the company that issued the shares and by reference to the shares.]

[For the purposes of this Schedule, “the relevant shares”, in relation to a case to which ^{F20}(1A) this Schedule applies, means the shares which—

- (a) are acquired by the investor in making the qualifying investment, and
- (b) where the qualifying investment is made before the time at which the original gain accrues, are still held by the investor at that time.

This is subject to sub-paragraphs (1B) and (1D) below.

(1B) If any corresponding bonus shares in the same company are issued to the investor or any person who has acquired any of the relevant shares from the investor on a disposal within marriage [^{F21}or civil partnership], this Schedule shall apply as if references to the relevant shares were to all the shares comprising the relevant shares and the bonus shares so issued.

(1C) In sub-paragraph (1B) above “corresponding bonus shares” means bonus shares which—

- (a) are issued in respect of the relevant shares; and
- (b) are of the same class, and carry the same rights, as those shares.

(1D) If, in circumstances in which paragraph 8 above applies, new shares are issued in exchange for old shares, references in this Schedule to the relevant shares, so far as they relate to the old shares, shall be construed as references to the new shares and not to the old shares.

(1E) In sub-paragraph (1D) above “new shares” and “old shares” have the same meaning as in paragraph 8 above.]

(2) For the purposes of this Schedule, “deferral relief” is attributable to any shares if—

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- (a) expenditure on the shares has been set under this Schedule against the whole or part of any gain; and
 - (b) in relation to the shares there has been no chargeable event for the purposes of this Schedule.
- (3) In this Schedule—
- (a) references (however expressed) to an issue of eligible shares in any company are to any eligible shares in the company that are of the same class and are issued on the same day;
 - (b) references to a disposal within marriage [^{F21}or civil partnership] are references to any disposal to which section 58 applies; ^{F22}...
 - (c) references to Chapter III of Part VII of the Taxes Act or any provision of that Chapter are to that Chapter or provision as it applies in relation to shares issued on or after 1st January 1994^{F23}; and
 - (d) references to Part 5 of ITA 2007 or any provision of that Part are to a Part or provision that applies only in relation to shares issued on or after 6th April 2007].
- (4) For the purposes of this Schedule shares in a company shall not be treated as being of the same class unless they would be so treated if dealt with on the Stock Exchange.
- (5) Notwithstanding anything in section 288(5), shares shall not for the purposes of this Schedule be treated as issued by reason only of being comprised in a letter of allotment or similar instrument.]]

Textual Amendments

- F3** Words in Sch. 5B para. 19(1) inserted (with effect in accordance with Sch. 18 para. 20(2) of the amending Act) by [Finance Act 2004 \(c. 12\)](#), **Sch. 18 para. 20(1)(a)**
- F4** Words in Sch. 5B para. 19(1) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 1 para. 268(a)** (with Sch. 2)
- F5** Words in Sch. 5B para. 19(1) substituted (retrospective to 6.4.2012) by [Finance Act 2012 \(c. 14\)](#), **Sch. 7 paras. 32, 35**
- F6** Words in Sch. 5B para. 19(1) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 1 para. 268(b)** (with Sch. 2)
- F7** Words in Sch. 5B para. 19(1) inserted (with effect in accordance with Sch. 18 para. 20(2) of the amending Act) by [Finance Act 2004 \(c. 12\)](#), **Sch. 18 para. 20(1)(b)**
- F8** Words in Sch. 5B para. 19(1) repealed (with effect in accordance with Sch. 33 Pt. 2(3) Note 6 of the amending Act) by [Finance Act 2001 \(c. 9\)](#), **Sch. 33 Pt. 2(3)** (with Sch. 3)
- F9** Words in Sch. 5B para. 19(1) substituted (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 1 para. 345(14)(a)** (with Sch. 2)
- F10** Words in Sch. 5B para. 19(1) repealed (with effect in accordance with Sch. 40 Pt. II(5) Note 4 of the amending Act) by [Finance Act 2000 \(c. 17\)](#), **Sch. 40 Pt. II(5)**
- F11** Words in Sch. 5B para. 19(1) substituted (with effect in accordance with Sch. 46 para. 112 of the amending Act) by [Finance Act 2013 \(c. 29\)](#), **Sch. 46 para. 110(4)** (with Sch. 46 para. 110(5))
- F12** Words in Sch. 5B para. 19(1) substituted (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 1 para. 345(14)(b)** (with Sch. 2)
- F13** Words in Sch. 5B para. 19(1) inserted (11.5.2001) by [Finance Act 2001 \(c. 9\)](#), **Sch. 15 para. 37(a)** (with Sch. 3)
- F14** Words in Sch. 5B para. 19(1) inserted (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 1 para. 345(14)(c)** (with Sch. 2)

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- F15** Words in Sch. 5B para. 19(1) substituted (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 1 para. 345\(14\)\(d\)](#) (with [Sch. 2](#))
- F16** Words in Sch. 5B para. 19(1) inserted (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 1 para. 345\(14\)\(e\)](#) (with [Sch. 2](#))
- F17** Words in Sch. 5B para. 19 repealed (with effect in accordance with s. 73(2) of the amending Act) by [Finance Act 1999 \(c. 16\)](#), [Sch. 8 para. 3\(1\)](#), [Sch. 20 Pt. III\(18\)](#)
- F18** Words in Sch. 5B para. 19(1) inserted (11.5.2001) by [Finance Act 2001 \(c. 9\)](#), [Sch. 15 para. 37\(c\)](#) (with [Sch. 3](#))
- F19** Words in Sch. 5B para. 19(1) inserted (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 1 para. 345\(14\)\(f\)](#) (with [Sch. 2](#))
- F20** Sch. 5B para. 19(1A)-(1E) inserted (with effect in accordance with s. 73(2) of the amending Act) by [Finance Act 1999 \(c. 16\)](#), [Sch. 8 para. 3\(2\)](#)
- F21** Words in Sch. 5B para. 19 inserted (5.12.2005) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), regs. 1(1), [127](#)
- F22** Word in Sch. 5B para. 19(3) repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 1 para. 345\(15\)](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))
- F23** Sch. 5B para. 19(3)(d) and preceding word inserted (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 1 para. 345\(15\)](#) (with [Sch. 2](#))

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