



# Finance Act 1996

## 1996 CHAPTER 8

### PART IV

#### INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

### CHAPTER VI

#### MISCELLANEOUS PROVISIONS

#### *Investments*

#### **161 Venture capital trusts: control of companies etc**

- (1) Schedule 28B to the Taxes Act 1988 (venture capital trusts: meaning of qualifying holdings) shall have effect, and be deemed always to have had effect, subject to the amendments in subsections (2) and (3) below.
- (2) In paragraph 9 (requirements as to subsidiaries etc. of the relevant company), the following shall be omitted—
  - (a) in sub-paragraph (1), the words “subject to sub-paragraph (2) below”; and
  - (b) sub-paragraph (2).
- (3) In paragraph 13 (interpretation), for sub-paragraphs (2) and (3) (“connected” and “control” to be construed in accordance with sections 839 and 416(2) to (6)) there shall be substituted the following sub-paragraphs—
  - “(2) For the purposes of paragraphs 5(2) and 9 above, the question whether a person controls a company shall be determined in accordance with subsections (2) to (6) of section 416 with the modification given by sub-paragraph (3) below.
  - (3) The modification is that, in determining whether a person controls a company, there shall be disregarded—

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**Status:** *This is the original version (as it was originally enacted).*

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- (a) his or any other person's possession of, or entitlement to acquire, relevant fixed-rate preference shares of the company; and
  - (b) his or any other person's possession of, or entitlement to acquire, rights as a loan creditor of the company.
- (4) Section 839 shall apply for the purposes of this Schedule, but as if the reference in subsection (8) to section 416 were a reference to subsections (2) to (6) of section 416 with the modification given by sub-paragraph (3) above.
- (5) For the purposes of sub-paragraph (3) above—
  - (a) relevant fixed-rate preference shares are fixed-rate preference shares that do not for the time being carry voting rights; and
  - (b) "fixed-rate preference shares" has the same meaning as in section 95."