
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2000, Cross Heading: When value is received. (See end of Document for details)

SCHEDULES

SCHEDULE 15

THE CORPORATE VENTURING SCHEME

PART VI

WITHDRAWAL OF INVESTMENT RELIEF

When value is received

- 49 (1) For the purposes of paragraphs 47 (value received by investing company) and 51 (value received where there is more than one issue of shares) the investing company receives value from the issuing company at any time when the issuing company—
- (a) repays, redeems or repurchases any of its share capital or securities which belong to the investing company or makes any payment to that company for giving up its right to any of the issuing company's share capital or any security on its cancellation or extinguishment;
 - (b) repays, in pursuance of any arrangements for or in connection with the acquisition of the relevant shares, any debt owed to the investing company other than a debt which was incurred by the issuing company—
 - (i) on or after the date of issue of those shares; and
 - (ii) otherwise than in consideration of the extinguishment of a debt incurred before that date;
 - (c) makes to the investing company any payment for giving up the company's right to any debt on its extinguishment;
 - (d) releases or waives any liability of the investing company to the issuing company or discharges, or undertakes to discharge, any liability of the investing company to a third person;
 - (e) makes a loan or advance to the investing company which has not been repaid in full before the issue of the relevant shares;
 - (f) provides a benefit or facility for the directors or employees of the investing company or any of their associates;
 - (g) disposes of an asset to the investing company for no consideration or for a consideration which is or the value of which is less than the market value of the asset;
 - (h) acquires an asset from the investing company for a consideration which is or the value of which is more than the market value of the asset; or
 - (i) makes a payment to the investing company other than a qualifying payment.
- (2) For the purposes of sub-paragraph (1)(e) there shall be treated as if it were a loan made by the issuing company to the investing company—
- (a) the amount of any debt (other than an ordinary trade debt) incurred by the investing company to the issuing company, and

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- (b) the amount of any debt due from the investing company to a third person which has been assigned to the issuing company.
- (3) For the purposes of sub-paragraph (1)(d) the issuing company shall be treated as having released or waived a liability if the liability is not discharged within 12 months of the time when it ought to have been discharged.
- (4) For the purposes of this paragraph—
- (a) references to a debt or liability do not, in relation to a person, include references to any debt or liability which would be discharged by the making by that person of a qualifying payment;
 - (b) references to a benefit or facility do not include references to any benefit or facility provided in circumstances such that, if a payment had been made of an amount equal to its value, that payment would be a qualifying payment; and
 - (c) any reference to a payment or disposal to a person includes a reference to a payment or disposal made to that person indirectly or to his order or for his benefit.

In paragraphs (a) to (c) references to “a person” include references to any person who, at any time in the period of restriction in question, is connected with that person, whether or not he is so connected at the material time.

- (5) In this paragraph—
- “ordinary trade debt” means any debt for goods or services supplied in the ordinary course of a trade or business where any credit given—
- (a) does not exceed six months, and
 - (b) is not longer than that normally given to customers of the person carrying on the trade or business; and
- “qualifying payment” means—
- (a) any payment by any person for any goods, services or facilities provided by the investing company (in the course of its trade or otherwise) which is reasonable in relation to the market value of those goods, services or facilities;
 - (b) the payment by any person of any interest which represents no more than a reasonable commercial return on money lent to that person;
 - (c) the payment by any company of any dividend or other distribution which does not exceed a normal return on any investment in shares in or other securities of that company;
 - (d) any payment for the acquisition of an asset which does not exceed its market value;
 - (e) the payment by any person, as rent for any property occupied by the person, of an amount not exceeding a reasonable and commercial rent for the property; and
 - (f) a payment in discharge of an ordinary trade debt.

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