



Income Tax Act 2007

2007 CHAPTER 3

[^{F1}PART 5A

SEED ENTERPRISE INVESTMENT SCHEME

CHAPTER 2

THE INVESTOR

[^{F1}The requirements

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](#)

257BA The no employee investors requirement

- (1) Neither the investor nor an associate of the investor may, at any time during period B, be an employee of the issuing company or of any qualifying subsidiary of that company.
- (2) For this purpose a person is not to be treated as an employee of the issuing company, or of any qualifying subsidiary of that company, at any time when the person is a director of that company.

257BB The no substantial interest in the issuing company requirement

The investor must not have a substantial interest in the issuing company at any time during period A.

Status: Point in time view as at 19/07/2012.

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

257BC The no related investment arrangements requirement

The investor (“P”) must not subscribe for the relevant shares as part of an arrangement which provides for another person to subscribe for shares in another company in which P, or any other individual who is party to the arrangement, has a substantial interest.

257BD The no linked loan requirement

- (1) No linked loan is to be made by any person, at any time in period A, to the investor or an associate of the investor.
- (2) In this section “linked loan” means any loan which—
 - (a) would not have been made, or
 - (b) would not have been made on the same terms,if the investor had not subscribed for the relevant shares, or had not been proposing to do so.
- (3) References in this section to the making by any person of a loan to the investor or an associate of the investor include a reference—
 - (a) to the giving by that person of any credit to the investor or any associate of the investor, and
 - (b) to the assignment to that person of a debt due from the investor or any associate of the investor.

257BE The no tax avoidance requirement

The relevant shares must be subscribed for by the investor for genuine commercial reasons, and not as part of a scheme or arrangement the main purpose or one of the main purposes of which is the avoidance of tax.]

Status:

Point in time view as at 19/07/2012.

Changes to legislation:

There are currently no known outstanding effects for the Income Tax Act 2007, Cross Heading:
The requirements.