



Income Tax Act 2007

2007 CHAPTER 3

[^{F1}PART 5B

TAX RELIEF FOR SOCIAL INVESTMENTS

[^{F1}CHAPTER 2

ELIGIBILITY FOR RELIEF: BASIC RULE AND KEY DEFINITIONS

Textual Amendments

F1 Pt. 5B inserted (17.7.2014) by [Finance Act 2014 \(c. 26\)](#), [Sch. 11 para. 1](#)

Eligibility

257K Eligibility for SI relief

- (1) An individual (“the investor”) who invests in a social enterprise is eligible for SI relief in respect of the amount invested if—
 - (a) the investment is made—
 - (i) by the investor on the investor's own behalf,
 - (ii) on or after 6 April 2014, and
 - (iii) before [^{F2}6 April 2021] (but see subsection (5)), and
 - (b) the conditions set out in Chapters 3 and 4 are met.
- (2) Subsection (1)(b) is subject to the provisions in sections 257LB and 257MJ to 257MN which provide for conditions set out in those sections not to apply where the social enterprise is an accredited social impact contractor.
- (3) The investor is not eligible for SI relief in respect of the amount invested if—

Status: Point in time view as at 16/11/2017.

Changes to legislation: There are currently no known outstanding effects for the Income Tax Act 2007, CHAPTER 2. (See end of Document for details)

- (a) the investor has obtained in respect of that amount, or any part of it, relief under—
 - (i) Part 5 (enterprise investment scheme),
 - (ii) Part 5A (seed enterprise investment scheme), or
 - (iii) Part 7 (community investment tax relief), or
 - (b) that amount, or any part of it, has under Schedule 5B to TCGA 1992 (enterprise investment scheme: re-investment) been set against a chargeable gain.
- (4) Investments made by, subscribed for, issued to, held by or disposed of for an individual by a nominee are treated for the purposes of this Part as made by, subscribed for, issued to, held by or disposed of by the individual.
- (5) The Treasury may by order substitute a later date for the date for time being specified in subsection (1)(a)(iii).

Textual Amendments

F2 Words in s. 257K(1)(a)(iii) substituted (16.11.2017) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), [Sch. 1 para. 2](#)

Key definitions

257KA Key to reading the rest of the Part

In the following provisions of this Part (except section 257N), a reference to—

- “the amount invested”,
- “the investment”,
- “the investor”, or
- “the social enterprise”,

is to be read in accordance with section 257K(1).

257KB When investment is made, and “investment date”

- (1) For the purposes of this Part “the investment date” means the date on which the investment is made.
- (2) So far as the investment is in shares, for the purposes of this Part it is made when the shares are issued to the investor by the social enterprise.
- (3) If the investment, so far as it is in qualifying debt investments (see section 257L), involves making the only advance covered by the debenture or debentures concerned, for the purposes of this Part it is made—
 - (a) when the social enterprise issues the debenture or debentures to the investor, or
 - (b) in a case where there is to be no such issuing, when the debenture or debentures, so far as relating to the advance, take effect between the social enterprise and the investor.
- (4) If the investment, so far as it is in qualifying debt investments, involves making the first of multiple advances covered by the debenture or debentures concerned, for the purposes of this Part it is made—

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- (a) when the social enterprise issues the debenture or debentures to the investor, or
 - (b) in a case where there is to be no such issuing, when the debenture or debentures, so far as relating to all of those advances, take effect between the social enterprise and the investor.
- (5) If the investment, so far as it is in qualifying debt investments, involves making the second of multiple advances covered by the debenture or debentures concerned, or a subsequent one of those advances, for the purposes of this Part it is made—
- (a) when the amount of that advance is fully advanced in cash, or
 - (b) if later—
 - (i) when the social enterprise issues the debenture or debentures to the investor, or
 - (ii) in a case where there is to be no such issuing, when the debenture or debentures, so far as relating to all of those advances, takes effect between the social enterprise and the investor.
- (6) For the purposes of subsections (3) to (5) “debenture” includes any instrument creating or acknowledging indebtedness.

257KC “Shorter applicable period” and “longer applicable period”

- (1) In this Part “the shorter applicable period” and “the longer applicable period” have the meaning given by this section.
- (2) The shorter applicable period begins with the investment date.
- (3) The longer applicable period begins with—
 - (a) the day on which the social enterprise is—
 - (i) incorporated (if it is a body corporate), or
 - (ii) established (in any other case), or
 - (b) if later, the day whose first anniversary is the investment date.
- (4) Each of the periods ends with the third anniversary of the investment date.]

Status:

Point in time view as at 16/11/2017.

Changes to legislation:

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