



Income Tax Act 2007

2007 CHAPTER 3

[^{F1}PART 5B U.K.]

TAX RELIEF FOR SOCIAL INVESTMENTS

CHAPTER 8 U.K.

WITHDRAWAL OR REDUCTION OF SI RELIEF: PROCEDURE

[^{F1}Information

Textual Amendments

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

257SE Information to be provided by the investor U.K.

- (1) This section applies if the investor has obtained SI relief in respect of the investment, and an event occurs as a result of which—
 - (a) the SI relief falls to be withdrawn or reduced by virtue of any of sections 257LD, 257LF, 257LG and 257LH,
 - (b) the SI relief falls to be withdrawn or reduced under section 257Q (receipt of value), or would fall to be so withdrawn or reduced but for section 257QH (receipt of replacement value), or
 - (c) the SI relief falls to be withdrawn or reduced under any of sections 257R, 257RB and 257RC (disposals and options).
- (2) The investor must within 60 days of coming to know of the event give a notice to an officer of Revenue and Customs containing particulars of the event.
- (3) If the investor—

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- (a) is required under this section to give notice of a receipt of value which is within section 257Q, or would be within that section but for section 257QH, and
- (b) has knowledge of any replacement value received (or expected to be received) because of a qualifying receipt,

the notice must include particulars of that receipt (or expected receipt).

- (4) In subsection (3) “qualifying receipt” and “replacement value” are to be read in accordance with section 257QH.

257SF Information to be provided by the social enterprise etc **U.K.**

- (1) This section applies if the social enterprise has provided an officer of Revenue and Customs with a compliance statement in respect of the investment and an event occurs as a result of which—

- (a) any of the requirements in sections 257M, 257MC to 257MK, 257MM(1) and 257MN is not met in respect of the investment, or
- (b) any of sections 257Q, 257QJ, 257QQ and 257QR has effect to cause any SI relief attributable to the investment to be withdrawn or reduced, or—
 - (i) would have such an effect if SI relief had been obtained in respect of the investment, or
 - (ii) in the case of section 257Q, would have such an effect but for section 257QH (receipt of replacement value).

- (2) If this section applies—

- (a) the social enterprise, and
- (b) any person connected with the social enterprise who has knowledge of the matters mentioned in subsection (1),

must give a notice to an officer of Revenue and Customs containing particulars of the event.

- (3) Any notice required to be given by the social enterprise under subsection (2)(a) must be given—

- (a) within 60 days of the event, or
- (b) if the event is a receipt of value within section 257QE(2) from a person connected with the social enterprise (see section 257QG), within 60 days of the social enterprise coming to know of the event.

- (4) Any notice required to be given by a person under subsection (2)(b) must be given within 60 days of the person coming to know of the event.

- (5) If a person—

- (a) is required under this section to give notice of a receipt of value which is within section 257Q, or would be within that section but for section 257QH, and
- (b) has knowledge of any replacement value received (or expected to be received) because of a qualifying receipt,

the notice must include particulars of that receipt of replacement value (or expected receipt).

- (6) In subsection (5) “qualifying receipt” and “replacement value” are to be read in accordance with section 257QH.

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- (7) If the event mentioned in subsection (1) is one whose occurrence results in the requirement in section 257M not being met in respect of the investment, the references in subsections (2) and (3) to the social enterprise are to—
- (a) the body concerned even though it has ceased to be a social enterprise, or
 - (b) the body into which the social enterprise has been converted.

257SG Power to require information in section 257SE or 257SF cases **U.K.**

- (1) This section applies if an officer of Revenue and Customs has reason to believe that a person—
- (a) has not given a notice which the person is required to give under section 257SE or 257SF in respect of any event,
 - (b) has given or received value within the meaning of section 257QE(2) or (6) which, but for the fact that the amount given or received was an insignificant receipt, would have triggered a requirement to give such a notice, or
 - (c) has made or received any repayment within the meaning given by section 257QJ(8) which, but for the fact that it falls to be ignored for the purposes of section 257QJ by virtue of section 257QK(1), would have triggered a requirement to give a notice under section 257SF.
- (2) The officer may by notice require the person concerned to supply the officer, within such time as the officer may specify in the notice, with such information relating to the event as the officer may reasonably require for the purposes of this Part.
- (3) The period specified in a notice under subsection (2) must be at least 60 days.
- (4) In subsection (1)(b) the reference to an insignificant receipt is to be read in accordance with section 257QA(1).

257SH Power to require information in other cases **U.K.**

- (1) Subsection (2) applies if SI relief is claimed in respect of the investment, and an officer of Revenue and Customs has reason to believe that it may not be due because of any such arrangements as are mentioned in section 257LB(1), 257LC, 257LE, [^{F2}257LEA,] 257LH, 257ME(3), 257MK(2) or (4), 257MM(5) or (6), 257MN(5), 257MU or 257MV(1), (5), (6) or (7).
- (2) The officer may by notice require any person concerned to supply the officer within such time as may be specified in the notice with—
- (a) a declaration in writing stating whether or not, according to the information which that person has or can reasonably obtain, any such arrangements exist or have existed, and
 - (b) such other information as the officer may reasonably require for the purposes of the provision in question and as that person has or can reasonably obtain.
- (3) The period specified in a notice under subsection (2) must be at least 60 days.
- (4) For the purposes of subsection (2), in the case of a provision listed in column 1 of the following table, the person concerned is given by the corresponding entry in column 2 of the table.

Provision

The person concerned

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Section 257LB(1) or 257LC	The investor, the social enterprise and any person connected with the social enterprise
Section 257LE or 257MK(2) or (4)	The investor, the social enterprise and any person controlling the social enterprise
[^{F3} Section 257LEA	The investor, the social enterprise, any person controlling the social enterprise and any person whom an officer of Revenue and Customs has reason to believe may be a party to the arrangements in question]
Section 257LH	The investor
Section 257ME(3), 257MU(1) or 257MV(1)	The social enterprise and any person controlling the social enterprise
Section 257MM(5) or (6), 257MN(5), 257MU(2), (3) or (4) or 257MV(5), (6) or (7)	The investor, the social enterprise, any other company in question, and any person controlling the social enterprise or any other company in question

References in the table to the investor include references to any person to whom the investor appears to have made such a transfer as is mentioned in section 257T (spouses or civil partners) of the whole or part of the investment.

- (5) If SI relief has been obtained in respect of the investment—
- (a) any person who receives from the social enterprise any payment or asset which may constitute value received (by the person or another) for the purposes of section 257Q, and
 - (b) any person on whose behalf such a payment or asset is received,
- must, if so required by an officer of Revenue and Customs, state whether the payment or asset so received is received on behalf of any other person and, if so, the name and address of that other person.
- (6) If SI relief has been claimed in respect of the investment—
- (a) any person who holds or has held investments in the social enterprise, and
 - (b) any person on whose behalf any such investments are or were held,
- must, if so required by an officer of Revenue and Customs, state whether the investments so held are or were held on behalf of any other person and, if so, the name and address of that other person.

Textual Amendments

- F2** Word in s. 257SH(1) inserted (with effect in accordance with Sch. 1 para. 14(3)(4) of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), [Sch. 1 para. 5\(2\)](#)
- F3** Words in s. 257SH(4) inserted (with effect in accordance with Sch. 1 para. 14(3)(4) of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), [Sch. 1 para. 5\(3\)](#)

257SI Confidentiality **U.K.**

- (1) Section 18(1) of the Commissioners for Revenue and Customs Act 2005 does not prevent an officer of Revenue and Customs from disclosing to the social enterprise that

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SI relief has been obtained or claimed in respect of a particular number or proportion of any investments in it.

- (2) Section 18(1) of the Commissioners for Revenue and Customs Act 2005 does not prevent—
 - (a) disclosure to the Regulator of Community Interest Companies for the purposes of the Regulator's functions,
 - (b) disclosure to a Minister of the Crown for the purposes of functions of a Minister of the Crown under sections 257JD to 257JG, or
 - (c) disclosure to a person for the purposes of functions delegated to the person under section 257JH(1).
- (3) Information disclosed in reliance on subsection (2) may not be further disclosed except—
 - (a) with the consent of the Commissioners for Her Majesty's Revenue and Customs, or
 - (b) if the disclosure is required by an enactment.
- (4) Information originally disclosed in reliance on subsection (2)(a) may be disclosed in reliance on subsection (3)(a) only for the purposes of the Regulator's functions.
- (5) Information originally disclosed in reliance on subsection (2)(b) or (c) may be disclosed in reliance on subsection (3)(a) only for the purposes of—
 - (a) functions of a Minister of the Crown under sections 257JD to 257JG, or
 - (b) functions delegated to a person under section 257JH(1).
- (6) If, in contravention of subsections (3) to (5), any revenue and customs information relating to a person is disclosed and the identity of the person—
 - (a) is specified in the disclosure, or
 - (b) can be deduced from it,section 19 of the Commissioners for Revenue and Customs Act 2005 (offence of wrongful disclosure) applies as it applies in relation to a disclosure of such information in contravention of section 20(9) of that Act.
- (7) In subsection (6) “revenue and customs information relating to a person” has the meaning given by section 19(2) of that Act.
- (8) Subject to subsections (3) and (5), no obligation as to confidentiality or other restriction on disclosure, whether imposed by an enactment or otherwise, prevents disclosure of relevant information—
 - (a) to a Minister of the Crown for the purposes of functions of a Minister of the Crown under sections 257JD to 257JG,
 - (b) to a person for the purposes of functions delegated to the person under section 257JH(1), or
 - (c) to an officer of Revenue and Customs for the purpose of assisting Her Majesty's Revenue and Customs to discharge their functions under the Income Tax Acts so far as relating to matters arising under this Part.
- (9) In subsection (8) “relevant information” means information obtained—
 - (a) by a Minister of the Crown, or
 - (b) by a person to whom functions have been delegated under section 257JH(1), in the course of discharging functions under sections 257JD to 257JG.

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- (10) In this section “Minister of the Crown” has the meaning given by section 8(1) of the Ministers of the Crown Act 1975.]

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