



Income Tax Act 2007

2007 CHAPTER 3

PART 6

VENTURE CAPITAL TRUSTS

CHAPTER 1

INTRODUCTION

258 Overview of Part

In this Part—

- (a) Chapter 2 provides for VCT income tax relief (“VCT relief”), that is, entitlement to tax reductions in respect of amounts subscribed by individuals for shares issued to them by venture capital trusts,
- (b) Chapter 3 provides for VCT approvals,
- (c) Chapter 4 makes provision as to the meaning of “qualifying holding” for the purposes of Chapter 3,
- (d) Chapter 5 confers power for regulations to make provision in relation to the winding up and merger of venture capital trusts, and
- (e) Chapter 6 makes supplementary and general provision.

259 Venture capital trusts and VCT approvals

- (1) In this Part “venture capital trust” means a company which—
 - (a) is not a close company, and
 - (b) is for the time being approved for the purposes of this Part by the Commissioners for Her Majesty's Revenue and Customs (see Chapter 3),and “VCT” means a venture capital trust.
- (2) In this Part “VCT approval” means an approval of a company for the purposes of this Part.

Status: Point in time view as at 19/07/2012.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, Chapter 1. (See end of Document for details)*

260 Other tax reliefs relating to VCTs

- (1) Chapter 5 of Part 6 of ITTOIA 2005 (venture capital trust dividends) provides that, if conditions are met, no liability to income tax arises in respect of dividends paid in respect of shares in a VCT.
- (2) Section 100 of TCGA 1992 (exemption for venture capital trusts etc) provides that gains accruing to a VCT are not to be chargeable gains.
- (3) Section 151A of TCGA 1992 (venture capital trusts: reliefs) provides that a gain or loss accruing to an individual on a qualifying disposal of any ordinary shares in a company which—
 - (a) was a VCT at the time when the individual acquired the shares, and
 - (b) is still a VCT at the time of the disposal,is not to be a chargeable gain or, as the case may be, an allowable loss.
- (4) Schedule 5C to TCGA 1992 (venture capital trusts: deferred charge on re-investment, but only in relation to shares issued before 6 April 2004) provides that, if conditions are met, an individual's unused qualifying expenditure on shares in a VCT may be set against what would otherwise be chargeable gains.

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Point in time view as at 19/07/2012.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, Chapter 1.