



Income Tax Act 2007

2007 CHAPTER 3

PART 5

ENTERPRISE INVESTMENT SCHEME

CHAPTER 4

THE ISSUING COMPANY

Definitions

191 Meaning of “qualifying subsidiary”

- (1) For the purposes of this Part, a company (“the subsidiary”) is a qualifying subsidiary of another company (“the relevant company”) if the following conditions are met.
- (2) The conditions are that—
 - (a) the subsidiary is a 51% subsidiary of the relevant company,
 - (b) no person other than the relevant company, or another of its subsidiaries, has control of the subsidiary, and
 - (c) no arrangements are in existence by virtue of which either of the conditions in paragraphs (a) and (b) would cease to be met.
- (3) The conditions do not cease to be met merely because the subsidiary or any other company is wound up, or dissolved without winding up, if the winding up or dissolution—
 - (a) is for genuine commercial reasons, and
 - (b) is not part of a scheme or arrangement the main purpose or one of the main purposes of which is the avoidance of tax.
- (4) The conditions do not cease to be met merely because of anything done as a consequence of the subsidiary or any other company being in administration or receivership, if—

Status: Point in time view as at 01/04/2010.

*Changes to legislation: There are currently no known outstanding effects
for the Income Tax Act 2007, Section 191. (See end of Document for details)*

- (a) the entry into administration or receivership, and
 - (b) everything done as a consequence of the company concerned being in administration or receivership,
- is for genuine commercial reasons, and is not part of a scheme or arrangement the main purpose or one of the main purposes of which is the avoidance of tax.
- (5) The conditions do not cease to be met merely because arrangements are in existence for the disposal by the relevant company or (as the case may be) by another subsidiary of all its interest in the subsidiary, if the disposal—
- (a) is to be for genuine commercial reasons, and
 - (b) is not to be part of a scheme or arrangement the main purpose or one of the main purposes of which is the avoidance of tax.

Modifications etc. (not altering text)

- C1** S. 191 applied (with modifications) (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), [Sch. 2 para. 42](#) (with [Sch. 2](#))

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