



Income Tax Act 2007

2007 CHAPTER 3

PART 5

ENTERPRISE INVESTMENT SCHEME

CHAPTER 7

WITHDRAWAL OR REDUCTION OF EIS RELIEF: PROCEDURE

Information

241 Information to be provided by the issuing company etc

- (1) This section applies if the issuing company has provided an officer of Revenue and Customs with a compliance statement in respect of an issue of shares and an event occurs as a result of which—
- [^{F1}(za) a requirement of any of the following provisions is not met in respect of the shares included in the issue, or would not be met if EIS relief had been obtained in respect of those shares—
- (i) section 173A (the maximum amount raised annually through risk finance investments),
 - (ii) section 173AA (the maximum amount raised through risk finance investments at the issue date),
 - (iii) section 173AB (the maximum amount raised through finance investments during period B),
 - (iv) section 175A (the permitted maximum age requirement),]
- (a) the requirement of section 175 (the use of money raised) is not met in respect of any of the shares included in the issue, or would not be met if EIS relief had been obtained in respect of the shares in question,
- (b) any provision of Chapter 4 has effect to prevent the issuing company being a qualifying company in relation to any of the shares included in the issue,

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Changes to legislation: There are currently no known outstanding effects for the Income Tax Act 2007, Section 241. (See end of Document for details)

or would have such an effect if EIS relief had been obtained in respect of the shares in question, or

- (c) any provision of Chapter 6 which is listed in subsection (2) has effect to cause any EIS relief attributable to any of the shares included in the issue to be withdrawn or reduced, or—
 - (i) would have such an effect if EIS relief had been obtained in respect of the shares in question, or
 - (ii) in the case of section 213, would have such an effect but for section 222 (receipt of replacement value).

(2) The provisions are—

- (a) section 213 (value received by the investor),
- (b) section 224 (repayments etc of share capital to other persons),
- (c) section 232 (acquisition of a trade or trading assets), and
- (d) section 233 (acquisition of share capital).

(3) If this section applies—

- (a) the issuing company, and
- (b) any person connected with the issuing company 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.

(4) Any notice required to be given by the issuing company under subsection (3)(a) must be given—

- (a) within 60 days of the event, or
- (b) if the event is a receipt of value within section 216(2) from a person connected with the company (see section 221), within 60 days of the company coming to know of the event.

(5) Any notice required to be given by a person under subsection (3)(b) must be given within 60 days of the person coming to know of the event.

(6) If a person—

- (a) is required under this section to give notice of a receipt of value which is within section 213, or would be within that section but for section 222, 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).

(7) In subsection (6) “qualifying receipt” and “replacement value” are to be read in accordance with section 222.

Textual Amendments

- F1** S. 241(1)(za) inserted (with effect in accordance with Sch. 5 para. 23 of the amending Act) by [Finance \(No. 2\) Act 2015 \(c. 33\)](#), [Sch. 5 para. 16](#)

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