



Income Tax Act 2007

2007 CHAPTER 3

PART 5 **U.K.**

ENTERPRISE INVESTMENT SCHEME

CHAPTER 8 **U.K.**

SUPPLEMENTARY AND GENERAL

Interpretation

257 Minor definitions etc **U.K.**

(1) In this Part—

“arrangements” includes any scheme, agreement or understanding, whether or not legally enforceable,

“bonus shares” means shares which are issued otherwise than for payment (whether in cash or otherwise),

“director” is read in accordance with section 417(5) of ICTA,

“group” means a parent company and its qualifying subsidiaries,

“group company”, in relation to a group, means the parent company or any of its qualifying subsidiaries,

“ordinary shares” means shares forming part of a company's ordinary share capital,

“parent company” means a company that has one or more qualifying subsidiaries and “single company” means a company that does not,

“period A”, “period B” and “period C” have the meaning given by section 159, and

“research and development” has the meaning given by section 1006.

Status: Point in time view as at 21/07/2009. This version of this provision has been superseded.

Changes to legislation: There are currently no known outstanding effects for the Income Tax Act 2007, Section 257. (See end of Document for details)

- (2) Section 993 (connected persons) does not apply for the purposes of Chapter 2 (other than section 168(4)).
- (3) Section 995 (control) does not apply for the purposes of the following provisions—
 section 185(1)(a),
 section 199(3)(a) and (b)(ii),
 section 232(3),
 section 233(2), and
 section 243(4),
 and in those provisions “control” is to be read in accordance with section 416(2) to (6) of ICTA.
- (4) In this Part—
- (a) references in any provision to the reduction of any EIS relief attributable to any shares include a reference—
 - (i) to the reduction of the relief to nil, and
 - (ii) if no relief has yet been obtained, to the reduction of the amount which apart from that provision would be the EIS relief, and
 - (b) references to the withdrawal of EIS relief in respect of any shares are—
 - (i) to the withdrawal of the EIS relief attributable to those shares, or
 - (ii) if no relief has yet been obtained, to ceasing to be eligible for EIS relief in respect of those shares.
- (5) For the purposes of this Part shares in a company are not treated as being of the same class unless they would be so treated if dealt in on [F1 a recognised stock exchange].
- (6) For the purposes of this Part the market value at any time of any asset is the price which it might reasonably be expected to fetch on a sale at that time in the open market free from any interest or right which exists by way of security in or over it.
- (7) In this Part—
- (a) references to EIS relief obtained by an individual in respect of any shares include references to EIS relief obtained by the individual in respect of those shares at any time after the individual has disposed of them, and
 - (b) references to the withdrawal or reduction of EIS relief obtained by an individual in respect of any shares include references to the withdrawal or reduction of EIS relief obtained by the individual in respect of those shares at any such time.
- (8) In the case of requirements that cannot be met until a future date, references in this Part to requirements being met for the time being are to nothing having occurred to prevent their being met.

Textual Amendments

F1 Words in s. 257(5) substituted (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 26 para. 12\(5\)](#)

Status:

Point in time view as at 21/07/2009. This version of this provision has been superseded.

Changes to legislation:

There are currently no known outstanding effects for the Income Tax Act 2007, Section 257.