



Income Tax Act 2007

2007 CHAPTER 3

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

TAX RELIEF FOR SOCIAL INVESTMENTS

CHAPTER 4 U.K.

ELIGIBILITY: CONDITIONS RELATING TO THE SOCIAL ENTERPRISE

Conditions relating to the social enterprise^{F1}: general

[^{F1}257M]The issue must be to raise money for chosen trade or preparing for it U.K.

- (1) The social enterprise must be a party to the making of the investment (so far as not in bonus shares) in order to raise money for the carrying-on, by the social enterprise or a 90% social subsidiary of the social enterprise, of—
 - (a) a qualifying trade which on the investment date is carried on by the social enterprise or a 90% social subsidiary of the social enterprise, or
 - (b) the activity of preparing to carry on (or preparing to carry on and then carrying on) a qualifying trade—
 - (i) which on the investment date is intended to be carried on by the social enterprise or a 90% social subsidiary of the social enterprise, and
 - (ii) which is begun to be carried by the social enterprise or such a subsidiary within 2 years after that date.
- (2) In this Chapter—
 - (a) the purpose within subsection (1) for which money is raised is referred to as “the funded purpose”,
 - (b) the qualifying trade mentioned in subsection (1)(a) or (b) is referred to as “the chosen trade”, and

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

- (c) if the funded purpose is the carrying-on of the activity mentioned in subsection (1)(b), “relevant preparation work” means preparations that form the whole or part of the activity.
- (3) In determining for the purposes of subsection (1)(b) when a qualifying trade is begun to be carried on by a 90% social subsidiary of the social enterprise, any carrying-on of the trade by it before it became such a subsidiary is ignored.
- (4) The reference in subsection (1)(b)(i) to a 90% social subsidiary of the social enterprise includes a reference to any existing or future body which will be such a subsidiary at any future time.
- (5) This section does not apply if the social enterprise is an accredited social impact contractor.]

Textual Amendments

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

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