



# Income Tax Act 2007

## 2007 CHAPTER 3

### PART 6

#### VENTURE CAPITAL TRUSTS

### CHAPTER 3

#### VCT APPROVALS

#### *Giving of approval*

#### **274 Requirements for the giving of approval**

- (1) Subject to section 275, the Commissioners for Her Majesty's Revenue and Customs must not approve a company for the purposes of this Part unless it is shown to their satisfaction that the conditions mentioned in subsection (2)—
- (a) are met in relation to the most recent complete accounting period of the company, and
  - (b) will be met in relation to the accounting period of the company which is current when the application for approval is made.
- (2) The conditions applied by subsection (1) (which are also applied by section 275(1) and other provisions of this Chapter) are set out in column 2 of the following table together with, in column 1 of the table, the descriptions by which they are referred to. In each of those conditions “the relevant period” means the accounting period that is relevant for the purposes of the particular provision by which the condition is applied.

<i>Description</i>	<i>Condition</i>
The listing condition	The shares making up the company's ordinary share capital (or, if there are such shares of more than one class, those of each class)

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*Status: This is the original version (as it was originally enacted).*

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<i>Description</i>	<i>Condition</i>
	have been or will be listed throughout the relevant period in the Official List of the Stock Exchange
The nature of income condition	The company's income in the relevant period has been or will be derived wholly or mainly from shares or securities
The income retention condition	The company has not retained or will not retain an amount which is greater than 15% of the income it derived or will derive in the relevant period from shares or securities
The 15% holding limit condition	No holding in any company, other than a VCT or a company that would qualify as a VCT but for the listing condition, has represented or will represent at any time during the relevant period more than 15% by value of the company's investments
The 70% qualifying holdings condition	At least 70% by value of the company's investments has been or will be represented throughout the relevant period by shares or securities included in qualifying holdings of the company
The 30% eligible shares condition	At least 30% by value of the company's qualifying holdings has been or will be represented throughout the relevant period by holdings of eligible shares

- (3) The conditions mentioned in subsection (2) are supplemented as follows—
- (a) the nature of income condition and the income retention condition by section 276,
  - (b) the 15% holding limit condition by section 277,
  - (c) the 15% holding limit condition, the 70% qualifying holdings condition and the 30% eligible shares condition by sections 278 and 279, and
  - (d) the 70% qualifying holdings condition and the 30% eligible shares condition by section 280.