
Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2023, Paragraph 13. (See end of Document for details)

SCHEDULES

SCHEDULE 4

INVESTMENT VEHICLES

PART 3

QUALIFYING ASSET HOLDING COMPANIES

Investment strategy condition

13 (1) In paragraph 13 (activity and investment strategy conditions), after sub-paragraph (2) insert—

“(3) A company (“C”) may make an election under this sub-paragraph that all relevant equity securities held by C are to be treated as if they were not equity securities listed or traded on a recognised stock exchange or any other public market or exchange for the purposes of—

- (a) the investment strategy condition as it applies to C, and
- (b) that condition as it applies to any other company with a relevant interest in C.

(4) Equity securities are “relevant” if—

- (a) they are listed or traded on a recognised stock exchange or any other public market or exchange,
- (b) they are held directly by C,
- (c) they were not acquired at a time when the election had effect from a company that is a member of the same group as C, other than a company that was a QAHC at the time of the acquisition, and
- (d) where C has previously been and ceased being a QAHC, they were acquired after the most recent occasion on which C became a QAHC.

(5) An election under [sub-paragraph \(3\)](#)—

- (a) must be notified to HMRC,
- (b) has effect only while the company is a QAHC,
- (c) is revoked on the company ceasing to be a QAHC, and
- (d) may not otherwise be revoked.

(6) Where an election under [sub-paragraph \(3\)](#) has effect, any dividend or other distribution received by C in respect of relevant equity securities that would otherwise be exempt for the purposes of section 931A(1) of CTA 2009 (charge to tax on distributions received) is to be treated as not exempt for the purposes of that section.

(7) Where—

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- (a) C disposes of relevant equity securities (“the dispossessed securities”), and
 - (b) within the period of thirty days after the disposal, C acquires securities (“the acquired securities”) of the same class,
any dividend or other distribution received by a person in respect of holding the acquired securities in the period (“the dispossession period”) commencing with the disposal by C of the dispossessed securities and ending with the acquisition by C of the acquired securities is to be treated as having been received by C for Corporation Tax purposes.
- (8) But the amount of any dividend or other distribution treated as received by C as a result of sub-paragraph (7) is limited to the amount of the dividend or other distribution C would have received had C held the dispossessed securities throughout the dispossession period.
- (9) Equity securities are not to be treated as being of the same class unless they are so treated by the practice of the recognised stock exchange, other public market or exchange they are listed or traded on.”
- (2) Omit paragraph 35 (and the italic heading before it).
- (3) In paragraph 58, after sub-paragraph (2) insert—
- “(3) In this Schedule, apart from in paragraphs 42 and 43 (worldwide groups), references to a company being a member of a group of companies are to be read in accordance with section 170 of TCGA 1992 (interpretation of sections 171 to 181 of that Act: groups).”

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