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STATUTORY INSTRUMENTS

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**1995 No. 1979**

**The Venture Capital Trust Regulations 1995**

**PART II**

**APPROVAL OF A COMPANY FOR PURPOSES OF SECTION 842AA**

**Applications for approval**

**3.—**(1) A company making an application for approval as a venture capital trust for the purposes of section 842AA shall apply to the Board in writing.

(2) The application shall be either for full approval or for provisional approval.

(3) An application for full approval shall contain a declaration—

- (a) that the conditions for full approval were fulfilled in relation to the most recent complete accounting period of the company;
- (b) that to the best of the company's knowledge and belief, the conditions for full approval will also be fulfilled in relation to the accounting period of the company which is current when the application for full approval is made; and
- (c) that to the best of the company's knowledge and belief, the particulars given in the application are true and correct.

(4) An application for provisional approval shall contain a declaration that to the best of the company's knowledge and belief—

- (a) the conditions for full approval will be fulfilled within the periods specified in subsection (4) of section 842AA; and
- (b) the particulars given in the application are true and correct.

(5) An application for approval for the purposes of section 842AA shall be signed by the secretary or by a director of the company.

**Approval of a company**

**4.—**(1) The Board's approval of a company as a trust company for the purposes of section 842AA shall be given to the company by notice in writing.

(2) The notice shall specify—

- (a) the date on which the Board's approval is given, and
- (b) the date from which the approval shall have effect.

(3) A notice giving provisional approval may include conditions designed to ensure that the company will fulfil the conditions specified in subsection (4) of section 842AA.

(4) The company may appeal to the Special Commissioners against the inclusion of any of the conditions mentioned in paragraph (3) above.

### **Refusal of approval of a company**

5.—(1) The Board’s refusal of approval of a company as a trust company for the purposes of section 842AA shall be given to the company by notice in writing.

(2) The notice shall specify—

- (a) the date on which the Board’s refusal of approval is given, and
- (b) the reasons for the Board’s refusal of approval.

(3) The company may appeal to the Special Commissioners against the refusal of approval.

### **Withdrawal of approval of a company**

6.—(1) The Board’s withdrawal of approval of a company as a trust company for the purposes of section 842AA shall be given to the company by notice in writing.

(2) The notice shall specify—

- (a) the date from which the Board’s withdrawal of approval shall have effect, and
- (b) the reasons for the Board’s withdrawal of approval.

(3) The company may appeal to the Special Commissioners against the withdrawal of approval.

### **Appeals to the Special Commissioners**

7.—(1) This regulation applies where a company appeals to the Special Commissioners pursuant to regulation 4(4), 5(3) or 6(3).

(2) The appeal shall be made by notice in writing given to the Board before the end of the period of 30 days beginning with the day on which the notice of provisional approval, refusal of approval or withdrawal of approval, as the case may be, was given to the company.

(3) Subject to paragraph (4) below, the Special Commissioners shall on appeal confirm the notice unless they are satisfied that the notice ought to be quashed.

(4) Where the appeal is against the inclusion of any of the conditions mentioned in regulation 4(3), the Special Commissioners may vary any of those conditions.

(5) If the Special Commissioners allow an appeal against a refusal of approval, they shall specify the date from which the approval is to have effect.

### **Breach of conditions for approval**

8.—(1) Where—

- (a) any of the conditions specified in subsection (2) of section 842AA has ceased to be fulfilled, or
- (b) a resolution has been passed or a petition has been presented to wind up the company,

a trust company which has been given full approval shall forthwith give notice in writing to the Board of that fact.

(2) Where—

- (a) any of the conditions specified in paragraph (a) or (b) of section 842AA(4) has not been fulfilled, or
- (b) any of the conditions included in a notice giving provisional approval and given under regulation 4(3) has been broken, or
- (c) after fulfilling the conditions specified in paragraphs (a) and (b) of section 842AA(4), any of the conditions specified in subsection (2) of section 842AA has ceased to be fulfilled, or

(d) a resolution has been passed or a petition has been presented to wind up the company, a trust company which has been given provisional approval shall forthwith give notice in writing to the Board of that fact.