
EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends the definitions of a “small or medium-sized enterprise” for the purposes of tax relief for expenditure in respect of research and development by such enterprises under Schedule 20 to the Finance Act 2000 and for large companies and small and medium-sized enterprises under Schedule 12 to the Finance Act 2002.

Article 1 provides for the citation, commencement and effect of this instrument.

Article 2 amends the definition in paragraph 2(1)(b) of Schedule 20 to the Finance Act 2000 to reflect accurately the effect of Commission Recommendation 2003/361/EC of 6th May 2003.

Article 3 amends the definition in paragraph 2(1)(b) of Schedule 12 to the Finance Act 2002 so that it cross-refers to the definition in Schedule 20 to the Finance Act 2000.

This Order does not impose new compliance costs on business.