
Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2015, SCHEDULE 6. (See end of Document for details)

SCHEDULES

SCHEDULE 6

Section 26

VENTURE CAPITAL TRUSTS

Introductory

1 Part 6 of ITA 2007 (venture capital trusts) is amended as follows.

Limiting eligibility for relief to investments made before 2025

2 (1) Section 261 (eligibility for VCT relief) is amended as follows.

(2) In subsection (3), before paragraph (a) insert—

“(za) the shares are issued before 6 April 2025.”

(3) After subsection (4) insert—

“(5) The Treasury may, by regulations, amend subsection (3)(za) to substitute a different date for the date for the time being specified there.”

Requirements for the giving of VCT approval

3 (1) Section 274 (requirements for the giving of approval) is amended as follows.

(2) In the table in subsection (2), at the end insert—

“The permitted maximum age condition	The company has not made and will not make an investment, in the relevant period, in a company which breaches the permitted maximum age limit.
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The no business acquisition condition	The company has not made and will not make an investment, in the relevant period, in a company which breaches the prohibition on business acquisitions.”
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(3) In subsection (3)—

(a) omit the “and” at the end of paragraph (e),

(b) in paragraph (f), after “by” insert “ subsection (3A) and by ”, and

(c) after that paragraph insert—

“(g) the permitted maximum age condition by subsection (3A) and by section 280C, and

(h) the no business acquisition condition by subsection (3A) and by section 280D.”

(4) After that subsection insert—

“(3A) In the second column of the table in subsection (2), in the entries for the investment limits condition, the permitted maximum age condition and the

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no business acquisition condition, any reference to an investment made by the company (“the investor”) in a company does not include any of the following investments—

- (a) shares or units in an AIF (within the meaning given by regulation 3 of the Alternative Investment Fund Managers Regulations 2013) which may be repurchased or redeemed on 7 days' notice given by the investor;
- (b) shares or units in a UCITS (within the meaning given by section 363A(4) of TIOPA 2010) which may be repurchased or redeemed on 7 days' notice given by the investor;
- (c) ordinary shares or securities in a company which are acquired by the company on a regulated market.”

(5) For subsection (5) substitute—

“(5) The Treasury may by regulations—

- (a) amend the first entry in the table in subsection (2) (the listing condition),
- (b) add, remove or amend an entry in the list of investments in subsection (3A),
- (c) amend this section so as to make provision to restrict the period for which an investment made by the company is excluded by subsection (3A), or
- (d) amend subsection (4).”

VCT approvals

4 (1) Section 280B (the investment limits condition) is amended as follows.

(2) In subsection (2) for the words from “if” to the end substitute “if one or more of the following applies—

- (a) the total annual investment in the relevant company exceeds the amount for the time being specified in section 292A(1);
- (b) the total investment in the relevant company at the investment date exceeds the amount specified in—
 - (i) if the relevant company is a knowledge-intensive company (see section 331A) at the investment date, section 292AA(1)(a), and
 - (ii) in any other case, section 292AA(1)(b);
- (c) condition A or B is met and the total investment in the relevant company at any time during the 5-year post-investment period exceeds the amount specified in—
 - (i) if the relevant company is a knowledge-intensive company at the investment date, section 292AB(4)(a), and
 - (ii) in any other case, section 292AB(4)(b).”

(3) After subsection (2) insert—

“(2A) In this section—

“the investment date” means the date the current investment is made;

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“the 5-year post-investment period” means the period of 5 years beginning with the day after the investment date.”

(4) For subsection (3) substitute—

“(3) For the purposes of subsection (2)(a), the total annual investment in the relevant company is the sum of—

- (a) the amount of the current investment,
- (b) the total amount of other relevant investments made (whether or not by the investor), in the year ending with the day on which the current investment is made, in—

- (i) the relevant company, or
- (ii) a company that has at any time in that year been a 51% subsidiary of the relevant company,

(including investments made in such a company before it became such a subsidiary but, if it is not such a subsidiary at the end of that year, not investments made in it after it last ceased to be such a subsidiary), and

- (c) the total amount of any other relevant investments (whether or not made by the investor) which are relevant imported investments.

(3A) For the purposes of subsection (2)(b), the total investment in the relevant company at the investment date is the sum of—

- (a) the amount of the current investment,
- (b) the total amount of other relevant investments made (whether or not by the investor), on or before the investment date, in—

- (i) the relevant company, or
- (ii) a company that is at the investment date, or has at any time before that date been, a 51% subsidiary of the relevant company,

(including investments made in such a company before it became such a subsidiary but, if it is not such a subsidiary at the investment date, not investments made in it after it last ceased to be such a subsidiary), and

- (c) the total amount of any other relevant investments (whether or not made by the investor) which are relevant imported investments.

(3B) For the purposes of subsection (2)(c)—

- (a) condition A is that—
 - (i) a company becomes a 51% subsidiary of the relevant company during the 5-year post-investment period,
 - (ii) all or part of the money raised by the current investment is employed for the purposes of an activity which consists wholly or in part of a trade carried on by that company, and
 - (iii) that trade (or a part of it) was carried on by that company before it became a 51% subsidiary as mentioned in subparagraph (i);
- (b) condition B is that all or part of the money raised by the current investment is employed for the purposes of an activity which consists wholly or in part of a trade which, during the 5-year

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post-investment period, becomes a relevant transferred trade (see subsection (3F)).

(3C) For the purposes of subsection (2)(c), the total investment in the relevant company at a time during the 5-year post-investment period (“the relevant time”) is the sum of—

- (a) the amount of the current investment,
- (b) the total amount of other relevant investments made, before the relevant time (whether or not by the investor), in—
 - (i) the relevant company, or
 - (ii) a company that at the relevant time is, or before that time has been, a 51% subsidiary of the relevant company,
 (including investments made in such a company before it became such a subsidiary but, if it is not such a subsidiary at the relevant time, not investments made in it after it last ceased to be such a subsidiary), and
- (c) the total amount of any other relevant investments (whether or not made by the investor) which are relevant imported investments.

(3D) In this section “relevant imported investment” means—

- (a) a relevant investment
 - (i) which is made in a company at a qualifying time, and
 - (ii) the money raised by which is employed for the purposes of a trade carried on by another company that is, at a qualifying time, a 51% subsidiary of the relevant company (but, if at the latest possible qualifying time it has ceased to be such a subsidiary, ignoring any money so employed after it last ceased to be such a subsidiary), or
- (b) a relevant investment—
 - (i) which is made in a company at a qualifying time, and
 - (ii) the money raised by which is employed for the purposes of a trade carried on by that company or another person,
 where, at a qualifying time but after that investment was made, that trade (or a part of it) became a relevant transferred trade (see subsection (3F)).

(3E) In subsection (3D) “a qualifying time” means—

- (a) for the purposes of subsection (3), any time in the year mentioned in that subsection,
- (b) for the purposes of subsection (3A), any time on or before the investment date,
- (c) for the purposes of subsection (3C), any time before the relevant time.

(3F) For the purposes of this section if—

- (a) a trade is transferred—
 - (i) to the relevant company,
 - (ii) to a company that is a 51% subsidiary of the relevant company, or
 - (iii) to a partnership of which a company within subparagraph (i) or (ii) is a member,

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(including where it is transferred to a company within subparagraph (ii), or a partnership of which such a company is a member, before the company became such a subsidiary), and

- (b) the trade, or a part of it, was previously (at any time) carried on by another person,

the trade or part mentioned in paragraph (b) becomes a “relevant transferred trade” at the time it is transferred as mentioned in paragraph (a).”

- (5) In subsection (4)—

- (a) omit “or” at the end of paragraph (b) and after that paragraph insert—

“(ba) an investment is made in the company and (at any time) the company provides a compliance statement under section 257PB (tax relief for social investments) in respect of the investment, or”, and

- (b) in paragraph (c) for “Community Guidelines on Risk Capital Investments in Small and Medium-sized Enterprises” substitute “European Commission’s Guidelines on State aid to promote risk finance investment”.

- (6) In subsection (5) for “and (3)” substitute “to (3E)”.

- (7) After subsection (5) insert—

“(6) Section 257KB applies in determining for those purposes when an investment within subsection (4)(ba) is made as it applies for the purposes of Part 5B (tax relief on social investments).

- (7) If only a proportion of the money raised by a relevant investment is employed for the purposes of a trade which became a relevant transferred trade as mentioned in subsection (3D), only the corresponding proportion of the relevant investment falls within that subsection.

- (8) For the purposes of this section—

- (a) references to a trade include a part of a trade (and references to the carrying on of a trade are to be construed accordingly), and
(b) when determining the amount of money raised by a relevant investment which has been employed for the purposes of a trade such apportionments are to be made as are just and reasonable.

- (9) In this section “trade” includes—

- (a) any business or profession,
(b) so far as not within paragraph (a), the carrying on of research and development activities from which it is intended a trade will be derived or will benefit, and
(c) preparing to carry on a trade.”

The first commercial sale condition and the no business acquisition condition

5

After section 280B insert—

“280C The permitted maximum age condition

- (1) This section applies for the purposes of the permitted maximum age condition.

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- (2) Where a company makes an investment in another company (“the relevant company”), that investment (“the current investment”) breaches the permitted maximum age limits if—
- (a) the investment is made after the initial investing period, and
 - (b) none of conditions A to C is met.
- (3) “The initial investing period” means—
- (a) where the relevant company is a knowledge-intensive company on the investment date, the period of 10 years beginning with the relevant first commercial sale, and
 - (b) in any other case, the period of 7 years beginning with that sale.
- (4) Condition A is that—
- (a) a relevant investment was made in the relevant company before the end of the initial investing period, and
 - (b) some or all of the money raised by that investment was employed for the purposes of the same activities as the money raised by the current investment (or some of those activities).
- (5) Condition B is that—
- (a) the sum of—
 - (i) the amount of the current investment, and
 - (ii) the total amount of any other relevant investments made in the relevant company in a period of 30 consecutive days which includes the investment date,is at least 50% of the average turnover amount, and
 - (b) the money raised by the current investment and the investments mentioned in paragraph (a)(ii) is employed for the purpose of entering a new product or geographical market.
- (6) Condition C is that—
- (a) condition B in subsection (5) or condition B in section 175A(4) (EIS: permitted company age requirement) was previously met in relation to one or more relevant investments made in the relevant company, and
 - (b) some or all of the money raised by those investments was employed for the purposes of the same activities as the money raised by the current investment.
- (7) “The relevant first commercial sale” means the earliest of the following—
- (a) the first commercial sale made by the relevant company,
 - (b) the first commercial sale made by a company that is at the investment date, or before that date has been, a 51% subsidiary of the relevant company (including a sale made by a company before it became such a subsidiary but, if it is not such a subsidiary at the investment date, not a sale made after it last ceased to be such a subsidiary),
 - (c) the first commercial sale made by any person who previously (at any time) carried on a trade which was subsequently carried on, on or before the investment date, by—
 - (i) the relevant company, or

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- (ii) a company that is at the investment date, or before that date has been, a 51% subsidiary of the relevant company, (including a trade subsequently carried on by such a company before it became such a subsidiary but, if it is not such a subsidiary at the investment date, not a trade which it carried on only after it last ceased to be such a subsidiary);
- (d) the first commercial sale made by a company which becomes a 51% subsidiary of the relevant company after the investment date in circumstances where all or part of the money raised by the current investment is employed for the purposes of an activity carried on by that subsidiary (including a sale made by such a company before it became such a subsidiary);
- (e) the first commercial sale made by any person who previously (at any time) carried on a trade which was subsequently carried on by a company mentioned in paragraph (d) (including a trade carried on by such a company before it became such a subsidiary);
- (f) if the money raised by the current investment or any part of it is employed for the purposes of a trade which has been transferred after the investment date to the relevant company or a 51% subsidiary of that company (or to a partnership of which the relevant company or such a subsidiary is a member), having previously been carried on (at any time) by another person, the first commercial sale made by that other person.
- (8) “The average turnover amount” means one fifth of the total relevant turnover amount for the five year period which ends—
- (a) immediately before the beginning of the last accounts filing period, or
- (b) if later, 12 months before the investment date.
- (9) In this section—
- “entering a new product or geographical market” has the same meaning as in [Commission Regulation \(EU\) No 651/2014](#) (General block exemption Regulation);
- “first commercial sale” has the same meaning as in the European Commission's Guidelines on State aid to promote risk finance investments (as those guidelines may be amended or replaced from time to time);
- “the investment date” means the day on which the current investment is made;
- “the last accounts filing period” means the last period for filing (within the meaning of section 442 of the Companies Act 2006) for the relevant company which ends before the date on which the current investment is made;
- “relevant investment” has the meaning given by section 280B(4) (and section 280B(5) and (6) apply for the purposes of this section as they apply for section 280B(2) to (3E));
- “the total relevant turnover amount” for a period is—
- (a) if the relevant company is a single company at the investment date, the sum of—
- (i) the relevant company's turnover for that period,

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- (ii) if all or part of the money raised by the current investment is employed for the purposes of an activity carried on by a company which becomes a 51% subsidiary of the relevant company after the investment date, the turnover for that period of that subsidiary (or, if there is more than one, each of them), and
 - (iii) if all or part of the money raised by the current investment is employed for the purposes of a transferred trade, the turnover of that trade for so much of that period as falls before the trade became a transferred trade (except to the extent that it is already included in calculating the amounts within sub-paragraphs (i) and (ii));
- (b) if the relevant company is a parent company at the investment date, the sum of—
- (i) the relevant company's turnover for that period,
 - (ii) the turnover for that period of each company which at the investment date is a 51% subsidiary of the relevant company,
 - (iii) if all or part of the money raised by the issue of the current investment is employed for the purposes of an activity carried on by a company which becomes a 51% subsidiary of the relevant company after the investment date, the turnover for that period of that subsidiary (or, if there is more than one, each of them), and
 - (iv) if all or part of the money raised by the current investment is employed for the purposes of a transferred trade, the turnover of that trade for so much of that period as falls before the trade became a transferred trade (except to the extent that it is already included in calculating the amounts within sub-paragraphs (i) to (iii));

“transferred trade” means a trade which has been transferred to the company which is carrying on the trade at the time the money raised by the current investment is employed or to a partnership of which that company is a member;

“turnover”—

- (a) in relation to a company, has the meaning given by section 474(1) of the Companies Act 2006 and is to be determined by reference to the accounts of companies and amounts recognised for accounting purposes (and such apportionments of those amounts as are just and reasonable are to be made for the purpose of determining a company's turnover for a period);
- (b) in relation to any other person carrying on a trade, also has the meaning given by section 474(1) of that Act (reading references in that provision to a company as references to the person) and is to be determined by reference to the accounts of the person and amounts recognised for accounting purposes

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(and such apportionments of those amounts as are just and reasonable are to be made for the purpose of determining a person's turnover for a period);

- (c) in relation to a transferred trade carried on by a company or other person, means such proportion of the turnover of the company or other person as it is just and reasonable to attribute to the transferred trade;

and section 280B(8) and (9) (meaning of “trade” etc) applies for the purposes of this section as it applies for the purposes of section 280B.

280D The no business acquisition condition

- (1) This section applies for the purposes of the no business acquisition condition.
- (2) Where a company makes an investment in another company (“the relevant company”), that investment breaches the prohibition on business acquisitions if any of the money raised by it is employed (whether on its own or together with other money) on the acquisition, directly or indirectly, of—
- (a) an interest in another company such that a company becomes a 51% subsidiary of the relevant company,
 - (b) a further interest in a company which is a 51% subsidiary of the relevant company,
 - (c) a trade,
 - (d) intangible assets employed for the purposes of a trade, or
 - (e) goodwill employed for the purposes of a trade.

- (3) The Treasury may by regulations provide that subsection (2) does not apply in relation to acquisitions of intangible assets which are of a description specified, or which occur in circumstances specified, in the regulations.

- (4) In this section—

“goodwill” has the same meaning as in Part 8 of CTA 2009 (see section 715(3));

“intangible assets” means any asset which falls to be treated as an intangible asset in accordance with generally accepted accountancy practice;

and section 280B(8) and (9) apply for the purposes of this section as they apply for the purposes of section 280B.”

Qualifying holdings

- 6 (1) Section 286 (qualifying holdings: introduction) is amended as follows.
- (2) In subsection (2), omit the “and” at the end of paragraph (a) and after paragraph (b) insert “, and
- (c) those shares or securities were first issued by the relevant company in order to raise money for the purposes of promoting growth and development of—
 - (i) if the relevant company is a single company, the business of that company, and

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(ii) if it is a parent company, what would be the business of the group if the activities of the group companies taken together were regarded as one business.”

- (3) In subsection (3)—
- (a) in paragraph (ea), for “capital schemes” substitute “finance investments”,
 - (b) after that paragraph insert—
 - “(eaa) the maximum risk finance investments when the relevant holding is issued (see section 292AA),
 - (eab) the maximum risk finance investments during the 5-year post-investment period (see section 292AB),”,
 - (c) omit paragraph (eb),
 - (d) after paragraph (g) insert—
 - “(ga) the permitted company age requirement (see section 294A),” and
 - (e) after paragraph (ja) insert—
 - “(jb) the proportion of skilled employees (see section 297B),”.
- 7 (1) Section 292A (the maximum amount raised annually through risk capital schemes requirement) is amended as follows.
- (2) For subsection (2) substitute—
- “(2) In subsection (1), the reference to relevant investments made in the relevant company includes—
- (a) relevant investments made in any company that has at any time in the year mentioned there been a 51% subsidiary of the relevant company (including investments made in such a company before it became such a subsidiary but, if it was not a subsidiary at the end of that year, not those made after it last ceased to be such a subsidiary),
 - (b) any other relevant investment made in a company to the extent that the money raised by the investment has been employed for the purposes of a trade carried on by another company that has at any time in that year been a 51% subsidiary of the relevant company (but, if it is not such a subsidiary at the end of that year, ignoring any money so employed after it last ceased to be such a subsidiary), and
 - (c) any other relevant investment made in a company if—
 - (i) the money raised by the investment has been employed for the purposes of a trade carried on by that company or another person, and
 - (ii) in that year, after that investment was made, the trade (or a part of it) became a relevant transferred trade (see subsection (2B)).
- (2A) If only a proportion of the money raised by a relevant investment is employed for the purposes of a trade which becomes a relevant transferred trade, the reference in subsection (2)(c) to the relevant investment is to be read as a reference to the corresponding proportion of that investment.
- (2B) Where—
- (a) in the year mentioned in subsection (1) a trade is transferred—
 - (i) to the relevant company,

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(ii) to a company that is, or has at any time during that year been, a 51% subsidiary of the relevant company, or

(iii) to a partnership of which a company within subparagraph (i) or (ii) is a member,

(including where it is transferred to a company within subparagraph (ii), or a partnership of which such a company is a member, at a time in the year before the company became such a subsidiary but not where it is transferred to such a company or partnership in that year after the company last ceased to be such a subsidiary), and

(b) that trade or a part of it was previously (at any time) carried on by another person,

the trade or part mentioned in paragraph (b) becomes a “relevant transferred trade” at the time it is transferred as mentioned in paragraph (a).”

(3) In subsection (3)—

(a) after paragraph (b) insert—

“(ba) an investment is made in the company and (at any time) the company provides a compliance statement under section 257PB (tax relief for social investments) in respect of the investment, or”, and

(b) in paragraph (c), for “Community Guidelines on Risk Capital Investments in Small and Medium-sized Enterprises” substitute “European Commission's Guidelines on State aid to promote risk finance investment”.

(4) In subsection (4) for “and (2)” substitute “to (2B)”.

(5) After subsection (4) insert—

“(4A) Section 257KB applies in determining for those purposes when an investment within subsection (3)(ba) is made as it applies for the purposes of Part 5B (tax relief on social investments).”

(6) In subsection (5), after “205” insert “, 257ED or 257PB”.

(7) After subsection (6) insert—

“(7) Section 280B(8) and (9) (meaning of “trade” etc) applies for the purposes of this section as it applies for the purposes of section 280B.”

(8) In the heading, for “capital schemes” substitute “finance investments”.

8

After section 292A insert—

“292AA Maximum risk finance investments when relevant holding is issued requirement

(1) The total amount of relevant investments made in the relevant company on or before the investment date must not exceed—

(a) if the relevant company is a knowledge-intensive company at the investment date (see section 331A), £20 million, and

(b) in any other case, £12 million.

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- (2) In subsection (1), the reference to relevant investments made in the relevant company includes—
- (a) relevant investments made in any company that is at the investment date, or has at any time before that date been, a 51% subsidiary of the relevant company (including investments made in such a company before it became such a subsidiary but, if it is not such a subsidiary at the investment date, not investments made in it after it last ceased to be such a subsidiary),
 - (b) any other relevant investment made in a company to the extent that the money raised by the investment has been employed for the purposes of a trade carried on by another company that has at any time on or before the investment date been a 51% subsidiary of the relevant company (but, if it is not such a subsidiary at the investment date, ignoring any money so employed after it last ceased to be such a subsidiary), and
 - (c) any other relevant investment made in a company if—
 - (i) the money raised by the investment has been employed for the purposes of a trade carried on by that company or another person, and
 - (ii) after the investment was made, but on or before the investment date, that trade became a relevant transferred trade (see subsection (4)).
- (3) If only a proportion of the money raised by a relevant investment is employed for the purposes of a trade which becomes a relevant transferred trade, the reference in subsection (2)(c) to the relevant investment is to be read as a reference to the corresponding proportion of that investment.
- (4) Where—
- (a) at any time on or before the investment date, a trade is transferred—
 - (i) to the relevant company,
 - (ii) to a company that at the investment date is, or has at any time before that date been, a 51% subsidiary of the relevant company, or
 - (iii) to a partnership of which a company within subparagraph (i) or (ii) is a member,
 (including where it is transferred to a company within subparagraph (ii), or a partnership of which such a company is a member, before the company became such a subsidiary but, if the company is not such a subsidiary at the investment date, not where it is transferred to such a company or partnership after the company last ceased to be such a subsidiary), and
 - (b) the trade or a part of it was previously (at any time) carried on by another person,
- the trade or part mentioned in paragraph (b) becomes a “relevant transferred trade” at the time it is transferred as mentioned in paragraph (a).
- (5) In this section—
- “the investment date” means the date the relevant holding is issued;

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“relevant investment” has the meaning given by section 292A(3), and section 292A(4) and (4A) (which determine when certain investments are made) applies for the purposes of this section; and section 280B(8) and (9) (meaning of “trade” etc) applies for the purposes of this section as it applies for the purposes of section 280B.

- (6) Subsection (7) applies if, by virtue of the provision of a compliance statement under section 205, 257ED or 257PB, the requirement of this section is not met.
- (7) The requirement is to be treated as having been met throughout the period—
 - (a) beginning with the investment date, and
 - (b) ending with the time the compliance statement was provided.

292AB Maximum risk finance investments during the 5-year post-investment period requirement

- (1) The requirement of this section applies if condition A or B is met.
- (2) Condition A is that—
 - (a) a company becomes a 51% subsidiary of the relevant company at any time during the 5-year post-investment period,
 - (b) all or part of the money raised by the issue of the relevant holding is employed for the purposes of a relevant qualifying activity which consists wholly or in part of a trade carried on by that company, and
 - (c) that trade (or a part of it) was carried on by that company before it became a 51% subsidiary as mentioned in paragraph (a).
- (3) Condition B is that all or part of the money raised by the issue of the relevant holding is employed for the purposes of a relevant qualifying activity which consists wholly or in part of a trade which, during the 5-year post-investment period, becomes a relevant transferred trade (see subsection (7)).
- (4) The requirement of this section is that, at all times during the 5-year post-investment period, the total of the relevant investments made in the relevant company before the time in question (“the relevant time”) must not exceed—
 - (a) if the relevant company is a knowledge-intensive company at the investment date (see section 331A), £20 million, and
 - (b) in any other case, £12 million.
- (5) In subsection (4) the reference to relevant investments made in the relevant company includes—
 - (a) any relevant investment made in any company that has at any time before the relevant time been a 51% subsidiary of the relevant company (including investments made in that company before it became such a subsidiary but, if it is not such a subsidiary at the relevant time, not investments made in it after it last ceased to be such a subsidiary),
 - (b) any other relevant investment made in a company to the extent that the money raised by the investment has been employed for the purposes of a trade carried on by another company that has at any time before the relevant time been a 51% subsidiary of the relevant company (but, if it is not such a subsidiary at the relevant time,

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- ignoring any money so employed after it last ceased to be such a subsidiary), and
- (c) any other relevant investments made in a company where—
- (i) the money raised by the investment has been employed for the purposes of a trade carried on by that company or another person, and
 - (ii) after that investment was made, but before the relevant time, that trade (or a part of it) became a relevant transferred trade (see subsection (7)).
- (6) If only a proportion of the money raised by a relevant investment is employed for the purposes of a trade which became a relevant transferred trade, the reference in subsection (5)(c) to the relevant investment is to be read as a reference to the corresponding proportion of that investment.
- (7) Where—
- (a) a trade is transferred—
 - (i) to the relevant company,
 - (ii) to a company that at the relevant time is, or has before that time been, a 51% subsidiary of the relevant company, or
 - (iii) to a partnership of which a company within subparagraph (i) or (ii) is a member,
 (including where it is transferred to a company within subparagraph (ii), or a partnership of which such a company is a member, before the company became such a subsidiary but, if the company is not such a subsidiary at the relevant time, not where it is transferred to such a company or partnership after the company last ceased to be such a subsidiary), and
 - (b) the trade or a part of it was previously (at any time) carried on by another person,
- the trade or part mentioned in paragraph (b) becomes a “relevant transferred trade” at the time it is transferred as mentioned in paragraph (a).
- (8) In this section—
- “5-year post-investment period” means the period of 5 years beginning with the day after the investment date;
- “the investment date” means the date on which the relevant holding is issued;
- “relevant investment” has the meaning given by section 292A(3), and section 292A(4) and (4A) (which determines when certain investments are made) applies for the purposes of this section;
- and section 280B(8) and (9) (meaning of “trade” etc) applies for the purposes of this section as it applies for the purposes of section 280B.
- (9) Subsection (10) applies if, by virtue of the provision of a compliance statement under section 205, 257ED or 257PB, the requirement of this section is not met.
- (10) The requirement is to be treated as having been met throughout the period—
- (a) beginning with the investment date, and
 - (b) ending with the time the compliance statement was provided.”

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- 9 Omit section 292B (the spending of money raised by SEIS investment requirement).
- 10 In section 293 (the use of the money raised requirement), for subsection (5A) substitute—
- “(5ZA) Employing money raised by the issue of the relevant holding (whether on its own or together with other money) on the acquisition, directly or indirectly, of—
- (a) an interest in another company such that a company becomes a 51% subsidiary of the relevant company,
 - (b) a further interest in a company which is a 51% subsidiary of the relevant company,
 - (c) a trade,
 - (d) intangible assets employed for the purposes of a trade, or
 - (e) goodwill employed for the purposes of a trade,
- does not amount to employing the money for the purposes of a relevant qualifying activity.
- (5ZB) The Treasury may by regulations provide that subsection (5ZA) does not apply in relation to acquisitions of intangible assets which are of a description specified, or which occur in circumstances specified, in the regulations.
- (5ZC) For the purposes of subsections (5ZA) and (5ZB)—
- “goodwill” has the same meaning as in Part 8 of CTA 2009 (see section 715(3));
 - “intangible assets” means any asset which falls to be treated as an intangible asset in accordance with generally accepted accountancy practice;
- and section 280B(8) and (9) (meaning of “trade” etc) applies for the purposes of this section as it applies for the purposes of section 280B.
- (5A) Also, otherwise employing money on the acquisition of shares in a company does not of itself amount to employing the money for the purposes of a relevant qualifying activity.”
- 11 After section 294 insert—

“294A The permitted company age requirement

- (1) The requirement of this section is that, if the relevant holding is issued after the initial investing period, condition A, B or C must be met.
- (2) “The initial investing period” means—
 - (a) where the relevant company is a knowledge-intensive company at the investment date, the period of 10 years beginning with the relevant first commercial sale, and
 - (b) in any other case, the period of 7 years beginning with that sale.
- (3) Condition A is that—
 - (a) a relevant investment was made in the relevant company before the end of the initial investing period, and

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- (b) some or all of the money raised by that investment was employed for the purposes of the relevant qualifying activity (or a part of it).
- (4) Condition B is that—
- (a) the total amount of relevant investments made in the relevant company in a period of 30 consecutive days which includes the investment date is at least 50% of the average turnover amount, and
 - (b) the money raised by those investments is employed for the purpose of entering a new product or geographical market.
- (5) Condition C is that—
- (a) condition B in subsection (4) or condition B in section 175A(4) (EIS: permitted company age requirement) was previously met in relation to one or more relevant investments made in the relevant company, and
 - (b) some or all of the money raised by those investment was employed for the purposes of the relevant qualifying activity.
- (6) “The relevant first commercial sale” means the earliest of the following—
- (a) the first commercial sale made by the relevant company,
 - (b) the first commercial sale made by a company that is at the investment date, or before that date has been, a 51% subsidiary of the relevant company (including a sale made by a company before it became such a subsidiary but, if it is not such a subsidiary at the investment date, not a sale made after it last ceased to be such a subsidiary),
 - (c) the first commercial sale made by any person who previously (at any time) carried on a trade which was subsequently carried on, on or before the investment date, by—
 - (i) the relevant company, or
 - (ii) a company that is at the investment date, or before that date has been, a 51% subsidiary of the relevant company,
 (including a trade subsequently carried on by such a company before it became such a subsidiary but, if it not such a subsidiary at the investment date, not a trade which it carried on only after it last ceased to be such a subsidiary);
 - (d) the first commercial sale made by a company which becomes a 51% subsidiary of the relevant company after the investment date in circumstances where all or part of the money raised by the issue of the relevant holding is employed for the purposes of an activity carried on by that subsidiary (including a sale made by such a company before it became such a subsidiary);
 - (e) the first commercial sale made by any person who previously (at any time) carried on a trade which was subsequently carried on by a company mentioned in paragraph (d) (including a trade carried on by such a company before it became such a subsidiary);
 - (f) if the money raised by the issue of the relevant holding (or any part of it) is employed for the purposes of a trade which has been transferred after the investment date to the relevant company or a 51% subsidiary of that company (or to a partnership of which the relevant company or such a subsidiary is a member), having

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previously (at any time) been carried on by another person, the first commercial sale made by that other person.

- (7) “The average turnover amount” means one fifth of the total relevant turnover amount for the five year period which ends—
- (a) immediately before the beginning of the last accounts filing period, or
 - (b) if later, 12 months before the investment date.

- (8) In this section—

“entering a new product or geographical market” has the same meaning as in [Commission Regulation \(EU\) No 651/2014](#) (General block exemption Regulation);

“first commercial sale” has the same meaning as in the European Commission's Guidelines on State aid to promote risk finance investments (as those guidelines may be amended or replaced from time to time);

“the investment date” means the date the relevant holding is issued;

“the last accounts filing period” means the last period for filing (within the meaning of section 442 of the Companies Act 2006) for the relevant company which ends before the date on which the relevant holding is issued;

“relevant investment” has the meaning given by section 292A(3), and section 292A(4) and (4A) (which determines when certain investments are made) applies for the purposes of this section;

“relevant qualifying activity” means the qualifying activity for which the money raised by the issue of the relevant holding is employed;

“the total relevant turnover amount” for a period is—

- (a) if the relevant company is a single company at the investment date, the sum of—
 - (i) the relevant company's turnover for that period,
 - (ii) if all or part of the money raised by the issue of the relevant shares is employed for the purposes of an activity carried on by a company which becomes a 51% subsidiary of the relevant company after the investment date, the turnover for that period of that subsidiary (or, if there is more than one, each of them), and
 - (iii) if all or part of the money raised by the issue of the relevant shares is employed for the purposes of a transferred trade, the turnover of that trade for so much of that period as falls before the trade became a transferred trade (except to the extent that it is already included in calculating the amounts within sub-paragraphs (i) and (ii));
- (b) if the relevant company is a parent company at the investment date, the sum of—
 - (i) the relevant company's turnover for that period,

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- (ii) the turnover for that period of each company which at the investment date is a 51% subsidiary of the relevant company,
- (iii) if all or part of the money raised by the issue of the relevant holding is employed for the purposes of an activity carried on by a company which becomes a 51% subsidiary of the relevant company after the investment date, the turnover for that period of that subsidiary (or, if there is more than one, each of them), and
- (iv) if all or part of the money raised by the issue of the relevant shares is employed for the purposes of a transferred trade, the turnover of that trade for so much of that period as falls before the trade became a transferred trade (except to the extent that it is already included in calculating the amounts within sub-paragraphs (i) to (iii));

“transferred trade” means a trade which has been transferred to the company which is carrying on the trade at the time the money raised by the issue of the relevant holding is employed or to a partnership of which that company is a member;

“turnover”—

- (a) in relation to a company, has the meaning given by section 474(1) of the Companies Act 2006 and is to be determined by reference to the accounts of companies and amounts recognised for accounting purposes (and such apportionments of those amounts as are just and reasonable are to be made for the purpose of determining a company's turnover for a period);
- (b) in relation to any other person carrying on a trade, also has the meaning given by section 474(1) of that Act (reading references in that provision to a company as references to the person) and is to be determined by reference to the accounts of the person and amounts recognised for accounting purposes (and such apportionments of those amounts as are just and reasonable are to be made for the purpose of determining a person's turnover for a period);
- (c) in relation to a transferred trade carried on by a company or other person, means such proportion of the turnover of the company or other person as it is just and reasonable to attribute to the transferred trade;

and section 280B(8) and (9) (meaning of “trade” etc) applies for the purposes of this section as it applies for the purposes of section 280B.”

12 In section 297A (the number of employees requirement)—

- (a) in subsections (1) and (2) for “250” substitute “ the permitted limit ”, and
- (b) after subsection (3) insert—

“(3A) The permitted limit” means—

- (a) if the relevant company is a knowledge-intensive company at the time the relevant holding is issued (see section 331A), 500, and

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(b) in any other case, 250.

(3B) The Treasury may by regulations amend subsection (3A)(a) or (b) by substituting a different number for the number for the time being specified there.”

13 After that section insert—

“297B The proportion of skilled employees requirement

(1) The requirement of this section is that, where the conditions in subsection (2) are met, at all times in the period of 3 years beginning with the issue of the relevant holding—

- (a) if the relevant company is a single company, the FTE skilled employee number must be at least 20% of the FTE employee number, and
- (b) if the relevant company is a parent company, the FTE group skilled employee number must be at least 20% of the FTE group employee number.

(2) The conditions are that—

- (a) the requirements one or more of sections 292AA, 294A and 297A (the maximum risk finance investments when relevant holding is issued requirement and the number of employees requirement) is or are met only by reason of the relevant company being a knowledge-intensive company at the time the relevant holding was issued, and
- (b) the innovation condition in section 331A(6) was not met by the relevant company at that time.

(3) The requirement of this section is not to be regarded as failing to be met at a time when the relevant company, by virtue of section 292 (companies in administration or receivership), is not regarded as having ceased to meet the trading requirement.

(4) In this section “FTE employee number”, “FTE group employee number”, “FTE skilled employee number” and “FTE group skilled employee number” have the meaning given by section 331A(10) (meaning of “knowledge-intensive company”).”

Power to amend Chapter 4 of Part 6

14 Omit section 311 (power to amend Chapter 4 of Part 6).

Interpretation of Chapter 4 of Part 6

15 In section 313 (interpretation of Chapter 4 of Part 6), in subsection (5), at the end insert—

“But section 993 does not apply for the purposes of the definition of “independent expert” in section 331A(10).”

Acquisitions for restructuring purposes

16 (1) Section 326 (restructuring to which section 327 applies) is amended as follows.

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- (2) In subsection (1), for “Section 327 applies” substitute “ Sections 326A and 327 apply ”.
- (3) In subsection (4) for the words from the beginning to “as being met” substitute “ Nothing in section 326A treats any of the requirements of Chapter 3 as being met, and nothing in section 327 treats any of the requirement of Chapter 4 as being met ”.
- (4) In subsection (5), before “327” insert “ 326A does not treat any requirement of Chapter 3 as being met and section ”.

17 After section 326 insert—

“326A Certain requirements of Chapter 3 to be treated as met

- (1) If this section applies, subsections (2) to (6) have effect to determine the extent to which, and the time for which, the following conditions in Chapter 3 are met in relation to the old shares and the new shares—
- the investment limits condition (see section 280B);
 - the permitted maximum age condition (see section 280C);
 - the no business acquisition condition (see section 280D).

(2) If—

- (a) there is an exchange under the arrangements of any new shares for any old shares, and
- (b) those old shares are an investment in relation to which the investment limits condition, the permitted maximum age condition or the no business acquisition condition is (or is treated as being) met to any extent,

those conditions are to be treated as met to the same extent in relation to the matching new shares.

See subsections (3) to (6) for further provision about when those conditions are treated as met in relation to the old shares.

(3) If—

- (a) the exchange occurs during the period of 5 years beginning with the day after the day on which the old shares were issued, and
- (b) those old shares are shares in relation to which section 280B(2)(c) applies,

section 280B(2)(c) is to be treated as applying in relation to the matching new shares.

(4) In determining whether section 280B(2)(c) applies in relation to the old shares—

- (a) condition A is treated as met if it would be met if the reference in section 280B(3B)(a)(i) to a company which becomes a 51% subsidiary of the relevant company during the 5-year post-investment period included a reference to a company which becomes a 51% subsidiary of the new company during that period otherwise than as a result of the exchange, and
- (b) in relation to investments made or trades transferred at or after the time of the exchange, references to the relevant company in

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section 280B(3C)(b) and (3F)(a) are to be read as references to the new company.

- (5) The permitted maximum age condition is met in relation to the old shares if (and only if) it would be met if—
- (a) in section 280C(5)(a)(ii) and (6)(a) the references to relevant investments made in the relevant company included a reference to the relevant investments made in the new company,
 - (b) in section 280C(7)(d) and (f) the references to the relevant company included a reference to the new company,
 - (c) in paragraphs (a)(ii) and (b)(iii) of the definition of “the total relevant turnover amount” in section 280C(9) the reference to a company which becomes a 51% subsidiary of the relevant company after the investment date included a reference to a company which becomes a 51% subsidiary of the new company after that date otherwise than as a result of the exchange.
- (6) The no business acquisition condition is met in relation to the old shares if (and only if) it would be met if, in section 280D(2), references to the relevant company were read as including a reference to the new company.”
- 18 (1) Section 327 (certain requirements of Chapter 4 to be treated as met) is amended as follows.
- (2) In subsection (1)—
- (a) after the entry for section 291 insert—

“section 292A (the maximum amount raised annually through risk finance investments requirement),

section 292AA (the maximum amount raised through risk finance investments when relevant holding is issued requirement),

section 292AB (the maximum risk finance investments during the 5-year post-investment period requirement),”
 - (b) after the entry for section 294 insert— “ section 294A (the permitted company age requirement),”, and ”
 - (c) omit the “and” at the end of the entry for section 297, and after the entry for section 297A insert “, and
- section 297B (the proportion of skilled employees requirement).”
- (3) In subsection (4)—
- (a) after “sections” insert “ 292A, 292AA, 292AB ”,
 - (b) after “294” insert “ , 294A ”, and
 - (c) for “and 297A” substitute “ , 297A and 297B ”.
- (4) After subsection (4) insert—
- “(4A) If—
- (a) there is an exchange under the arrangements of any new shares for any old shares,
 - (b) that exchange occurs during the period of 5 years beginning with the day after the day on which the old shares were issued, and

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- (c) those old shares are shares in relation to which the requirement of section 292AB (maximum risk finance investments during 5-year post-investment period) applies and is met,
that requirement is to be treated as applying and met in relation to the matching new shares.
- (4B) But, where that requirement applies in relation to the old shares, it is met in relation to those shares if (and only if) it would be met were—
- (a) the first reference to the relevant company in section 292AB(4), and
 - (b) the references to the relevant company in section 292AB(5) and (7)(a)(i),
- read, in relation to times in that 5 year period which fall at or after the time of the exchange, as references to the new company.
- (4C) For the purposes of subsections (4A) and (4B), the requirement in section 292AB is treated as applying in relation to the old shares if condition A or B in that section would be met if references in section 292AB(5) and (7)(a)(i) to the relevant company were read as references to the new company.
- (4D) The requirement in section 293 (the use of money raised) is met in relation to the old shares if (and only if) it would be met if references to the relevant company in section 293(5ZA) were read as including a reference to the new company.
- (4E) The requirement of section 294A (permitted company age) is met in relation to the old shares if (and only if) it would be met if—
- (a) in section 294A(4) the reference to relevant investments made in the relevant company included a reference to relevant investments made in the new company,
 - (b) in section 294A(6)(d) and (f) the references to the relevant company included a reference to the new company,
 - (c) in paragraphs (a)(ii) and (b)(iii) of the definition of “the total relevant turnover amount” in section 294A(8) the reference to a company which becomes a 51% subsidiary of the relevant company after the investment date included a reference to a company which becomes a 51% subsidiary of the new company after that date otherwise than as a result of the exchange.
- (4F) If—
- (a) there is an exchange under the arrangements of any new shares for any old shares,
 - (b) that exchange occurs during the period of 3 years beginning with the issue of the old shares, and
 - (c) those old shares are shares in relation to which the requirement of section 297B (proportion of skilled employees requirement) is met,
- that requirement is to be treated as met in relation to the matching new shares.
- (4G) The requirement of section 297B is met in relation to the old shares if (and only if) it would be met in relation to those shares were references to the relevant company, in subsections (1) and (3) of that section (and, in the definitions of the terms mentioned in subsection (4) as they apply for the purposes of those subsections), read as references to the new company in relation to times in that 3 year period which fall at or after the exchange.”

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Power to amend Chapters 3 and 4 of Part 6 of ITA 2007

19 After section 330A insert—

“Power to amend Part

330B Powers to amend Chapters 3 and 4 by Treasury regulations

- (1) The Treasury may by regulations add to, repeal or otherwise amend any provision of Chapter 3 or 4.
- (2) Regulations under this section may—
 - (a) make different provision for different cases or purposes;
 - (b) contain incidental, supplemental, consequential and transitional provision and savings.
- (3) The provision which may be made as a result of subsection (2)(b) includes provision amending any provision of this or any other Act (including an Act passed after this Act).
- (4) Regulations under this section may, so long as they do not increase any person's liability to any tax, be made to have retrospective effect in relation to any time in the tax year in which they are made or the previous tax year.
- (5) This section is without prejudice to any other power to amend any provision of this Part.
- (6) A statutory instrument containing regulations under this section may not be made unless a draft of it has been laid before and approved by a resolution of the House of Commons.”

Interpretation of Part 6

20 After section 331 insert—

“331A Meaning of “knowledge-intensive company”

- (1) For the purposes of this Part, the relevant company is a “knowledge-intensive company” at the applicable time if the company meets—
 - (a) one or both of the operating costs conditions (see subsections (3) and (4)), and
 - (b) one or both of—
 - (i) the innovation condition (see subsection (6)), and
 - (ii) the skilled employee condition (see subsection (9)).
- (2) “The applicable time” means—
 - (a) in relation to references to a knowledge-intensive company in section 280B or 280C, the date the current investment (within the meaning of the section in question) is made, and
 - (b) in relation to any other reference to a knowledge-intensive company, the date the relevant holding is issued.

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- (3) The first operating costs condition is that in at least one of the relevant three preceding years at least 15% of the relevant operating costs constituted expenditure on research and development or innovation.
- (4) The second operating costs condition is that in each of the relevant three preceding years at least 10% of the relevant operating costs constituted such expenditure.
- (5) In subsections (3) and (4)—
- “relevant operating costs” means—
- (a) if the relevant company is a single company at the applicable time, the operating costs of that company, and
 - (b) if the relevant company is a parent company at the applicable time, the sum of—
 - (i) the operating costs of the relevant company, and
 - (ii) the operating costs of each company which is a qualifying subsidiary of the relevant company at that time;
- “the relevant three preceding years” means the three consecutive years the last of which ends—
- (a) immediately before the beginning of the last accounts filing period, or
 - (b) if later, 12 months before the applicable time.
- (6) “The innovation condition” is—
- (a) where the relevant company is a single company, that—
 - (i) the relevant company is engaged in intellectual property creation at the applicable time, and
 - (ii) it is reasonable to assume that, within 10 years of the applicable time, one or a combination of—
 - (a) the exploitation of relevant intellectual property held by the company, and
 - (b) business which results from new or improved products, processes or services utilising relevant intellectual property held by the company,
 will form the greater part of its business;
 - (b) where the relevant company is a parent company, that—
 - (i) the parent company or one or more of its qualifying subsidiaries (or both that company and one or more of those subsidiaries) is or are engaged in intellectual property creation at the applicable time, and
 - (ii) it is reasonable to assume that, within 10 years of the applicable time, one or a combination of—
 - (a) the exploitation of relevant intellectual property held by the parent company or any of its qualifying subsidiaries, and
 - (b) business which results from new or improved products, processes or services utilising relevant intellectual property held by the parent company or any of its qualifying subsidiaries,

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will form the greater part of the business of the group, if the activities of the group companies taken together are regarded as one business.

- (7) For the purposes of subsection (6), a company is engaged in intellectual property creation if—
- (a) relevant intellectual property is being created by the company, or has been created by it within the previous three years,
 - (b) the company is taking, or preparing to take, steps in order that relevant intellectual property will be created by it, or
 - (c) the company is carrying on activity which is the subject of a written evaluation which—
 - (i) has been prepared by an independent expert, and
 - (ii) includes a statement to the effect that, in the opinion of the expert, it is reasonable to assume that relevant intellectual property will, in the foreseeable future, be created by the company.
- (8) For the purposes of this section—
- (a) intellectual property is “relevant” intellectual property, in relation to a company, if the whole or greater part (in terms of value) of it is created by the company, and
 - (b) intellectual property is created by a company if it is created in circumstances in which the right to exploit it vests in the company (whether alone or jointly with others).
- (9) “The skilled employee condition” is that at the applicable time—
- (a) if the relevant company is a single company, the FTE skilled employee number is at least 20% of the FTE employee number, and
 - (b) if the relevant company is a parent company, the FTE group skilled employee number is at least 20% of the FTE group employee number.
- (10) In this section—
- “FTE employee number” for a company is the full-time equivalent employee number determined in accordance with section 297A(3);
- “FTE group employee number” means the sum of—
- (a) the FTE employee number for the relevant company, and
 - (b) the FTE employee number for each of its qualifying subsidiaries;
- “FTE group skilled employee number” means the sum of—
- (a) the FTE skilled employee number for the relevant company, and
 - (b) the FTE skilled employee number for each of its qualifying subsidiaries;
- “FTE skilled employee number” for a company is determined in accordance with section 297A(3) in the same way as the full-time equivalent employee number except that only employees of the company who—
- (a) hold a relevant HE qualification, and

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(b) are engaged directly in research and development or innovation activities carried on—

- (i) if the relevant company is a single company, by that company, or
- (ii) if the relevant company is a parent company, by that company or any qualifying subsidiary of that company,

are to be taken into account;

“independent expert”, in relation to an evaluation of activity of a company, means an individual who—

- (a) is not connected with the relevant company,
- (b) holds a relevant HE qualification, and
- (c) is an expert in the area of research and development or innovation being or to be pursued by the company in question,

and, for the purposes of paragraph (a), sections 167, 170 and 171 (but not section 168) apply to determine if an individual is connected with the relevant company (with references in those sections to the issuing company read as references to the relevant company);

“intellectual property” has the meaning given by section 306(6);

“the last accounts filing period” means the last period for filing (within the meaning of section 442 of the Companies Act 2006) for the relevant company which ends before the applicable time;

“operating costs”, of a company for a period, means expenses of the company which are recognised as expenses in the company's profit and loss account or income statement for that period, other than expenses relating to transactions between that company and another company at a time when both companies are members of the same group (but see also subsection (11));

“relevant HE qualification” means—

- (a) a qualification which is at level 7, or a higher level, of the framework for higher education qualifications in England, Wales and Northern Ireland (as that framework may be amended or replaced from time to time),
- (b) a qualification which is at level 11, or a higher level, of the framework for qualifications of higher education institutions in Scotland (as that framework may be amended or replaced from time to time), or
- (c) a comparable qualification to one within paragraph (a) or (b).

(11) Such apportionments as are just and reasonable are to be made to amounts recognised in a company's profit and loss account or income statement for the purpose of determining the company's operating costs for a year.

(12) The Treasury may by regulations amend this section for the purposes of adding, amending or removing a condition which must be met for a company to be a knowledge-intensive company.

(13) A statutory instrument containing regulations under subsection (12) may not be made unless a draft of it has been laid before and approved by a resolution of the House of Commons.”

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Repeal of saving for investment of “protected money”

- 21 Paragraph 21(2) and (3) of Schedule 8 to FA 2012 (which prevents section 293(5A) of ITA 2007 applying in relation to protected money) is repealed.

Consequential repeal

- 22 (1) In consequence of paragraphs 6(3)(c) and 9, in Schedule 6 to FA 2012, omit paragraphs 15 and 17
- (2) In consequence of paragraph 12, in Schedule 8 to that Act, omit paragraph 9.
- (3) In consequence of paragraph 19, in Schedule 8 to that Act, omit paragraph 14.

Application and transitional provision

- 23 (1) The amendments made by paragraphs 3 to 5 have effect in relation to investments made on or after the day on which this Act is passed.
- (2) The amendments made by paragraphs 6(3)(c), 9 and 22(1) have effect for the purposes of determining whether shares or securities issued on or after 6 April 2015 are to be regarded as comprised in a company's qualifying holdings.
- (3) The amendments made by paragraphs 6 (except sub-paragraph (3)(c)), 7, 8, 10 to 13, 21 and 22(2) and (3) have effect for the purposes of determining whether shares or securities issued on or after the day on which this Act is passed are to be regarded as comprised in a company's qualifying holdings.
- (4) But nothing in sub-paragraphs (1) and (3) prevents investments made before the day on which this Act is passed constituting a “relevant investment”—
- (a) for the purposes of section 280B of ITA 2007 for the purposes of determining whether the investment limits condition in section 274 of that Act is breached by an investment made on or after the day on which this Act is passed,
- (b) for the purposes of section 280C of that Act for the purposes of determining whether the permitted maximum age condition in section 274 of that Act is breached by an investment made on or after the day on which this Act is passed, or
- (c) for the purposes of section 292A, 292AA, 292AB or 294A of that Act for the purposes of determining whether shares or securities issued on or after that day are to be regarded as comprised in a company's qualifying holdings.

Changes to legislation:

There are currently no known outstanding effects for the Finance (No. 2) Act 2015, SCHEDULE 6.