

SCHEDULES

SCHEDULE 12

RELIEF FOR INVESTMENT IN NEW CORPORATE TRADES : SUBSIDIARIES

Finance for trade of subsidiary

- 1 The shares issued by the new qualifying company may, instead of or as well as being issued for the purpose mentioned in subsection (1)(b) of section 52, be issued for the purpose of raising money for a new qualifying trade which is being carried on by a subsidiary or which a subsidiary intends to carry on within the next twelve months ; and where shares are so issued subsections (3) and (6) of that section shall have effect as if references to the company were or, as the case may be, included references to the subsidiary.

Individuals qualifying for relief

- 2 (1) Subsections (2) and (3) of section 54 shall have effect as if references to the company included references to any subsidiary of the company; and, without prejudice to the provisions of that section, an individual shall be treated as connected with a company if he directly or indirectly possesses or is entitled to acquire any loan capital of a subsidiary of that company.
- (2) Section 54(5) and (8) shall apply for the purposes of this paragraph.

New qualifying trade

- 3 In relation to a new qualifying trade carried on by a subsidiary the references in subsections (2)(f) and (6) of section 56 to another person and the reference in subsection (7) of that section to a person having a controlling interest in the trade shall not include references to the company of which it is a subsidiary.

Value received

- 4 In sections 58(1) and 59(4) references to the receipt of value from the company shall include references to the receipt of value from a subsidiary of the company, and references to the company in the other provisions of section 58 and in section 59(7) shall be construed accordingly.

Claims

- 5 Where a company has one or more subsidiaries, the reference in subsection (4) of section 61 to a statement by the company shall include a reference to a statement by the subsidiary or each subsidiary and the references in subsection (5) of that section to the company shall be construed accordingly.

Status: This is the original version (as it was originally enacted).

Information

- 6 Where a subsidiary is notified by the inspector that relief has been given in respect of any shares issued by a company of which it is a subsidiary section 63(3) shall apply to the subsidiary as respects any transfer of its shares as it applies to the company as respects any transfer of the shares of the company.
- 7 Subsections (5) and (6) of section 63 shall have effect in relation to any such arrangements as are mentioned in section 65(2)(c) as they have effect in relation to any such arrangement as is mentioned in section 59(1).