
*Changes to legislation: There are currently no known outstanding effects
for the Finance Act 2000, Paragraph 28. (See end of Document for details)*

SCHEDULES

SCHEDULE 15

THE CORPORATE VENTURING SCHEME

PART III

THE ISSUING COMPANY

Excluded activities: leasing of ships

- 28 (1) This paragraph supplements paragraph 26(1)(d) so far as it relates to the leasing of ships other than [^Foffshore installations] or pleasure craft.
- (2) A trade shall not be treated as not being a qualifying trade by reason only of its consisting in letting such ships on charter if the following requirements are met—
- (a) every ship let on charter by the company carrying on the trade is beneficially owned by the company;
 - (b) every ship beneficially owned by the company is registered in the United Kingdom;
 - (c) the company is solely responsible for arranging the marketing of the services of its ships; and
 - (d) the conditions mentioned in sub-paragraph (3) are satisfied in relation to every letting of a ship on charter by the company.
- (3) The conditions are that—
- (a) the letting is for a period not exceeding 12 months and no provision is made at any time (whether in the charterparty or otherwise) for extending it beyond that period otherwise than at the option of the charterer;
 - (b) during the period of the letting there is no provision in force (whether by virtue of being contained in the charterparty or otherwise) for the grant of a new letting to end, otherwise than at the option of the charterer, more than 12 months after that provision is made;
 - (c) the letting is by way of a bargain made at arm's length between the company and a person who is not connected with it;
 - (d) under the terms of the charter the company is responsible as principal—
 - (i) for taking, throughout the period of the charter, management decisions in relation to the ship, other than those of a kind generally regarded by persons engaged in trade of the kind in question as matters of husbandry; and
 - (ii) for defraying all expenses in connection with the ship throughout that period, or substantially all such expenses, other than those directly incidental to a particular voyage or to the employment of the ship during that period;

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and

- (e) no arrangements exist by virtue of which a person other than the company may be appointed to be responsible for the matters mentioned in paragraph (d) on behalf of the company.

(4) In relation to any letting between one company and another where—

- (a) one of those companies is the company carrying on the trade and the other is a qualifying subsidiary of that company, or
 (b) both companies are qualifying subsidiaries of the company carrying on the trade,

sub-paragraph (3) has effect with the omission of paragraph (c).

(5) Where any of the requirements in sub-paragraph (2) are not met in relation to any lettings, the trade shall not thereby be treated as not a qualifying trade if those lettings and any other excluded activities do not, taken together, amount to a substantial part of the trade.

(6) In this paragraph—

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.....
 “pleasure craft” means any ship of a kind primarily used for sport or recreation.

Textual Amendments

F1 Words in Sch. 15 para. 28(1) substituted (22.7.2004) (with effect in accordance with Sch. 27 para. 6(5) (6) of the amending Act) by [Finance Act 2004 \(c. 12\)](#), [Sch. 27 para. 6\(3\)](#)

F2 Words in Sch. 15 para. 28(6) repealed (22.7.2004) (with effect in accordance with Sch. 27 para. 6(5)(6) of the amending Act) by [Finance Act 2004 \(c. 12\)](#), [Sch. 27 para. 6\(4\)](#), [Sch. 42 Pt. 2\(19\)](#)

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