

SCHEDULES

SCHEDULE 16

COMMUNITY INVESTMENT TAX RELIEF

PART 7

RESTRUCTURING OF CDFI

Rights issues etc

- 40 (1) Where—
- (a) the investor holds shares (“the existing holding”) in the CDFI which are of the same class and held in the same capacity,
 - (b) there is by virtue of such an allotment as is mentioned in section 126(2)(a) of the 1992 Act (an allotment of shares or debentures in respect of and in proportion to an original holding), other than an allotment of corresponding bonus shares, a reorganisation affecting the existing holding,
 - (c) immediately following the reorganisation, relief is attributable to the shares comprised in the existing holding or the shares or debentures allotted in respect of those shares, in respect of one or more tax years or accounting periods, and
 - (d) if relief is attributable to the shares comprised in the existing holding at that time, those shares have been held by the investor continuously from the time they were issued until the reorganisation,
- sections 127 to 130 of that Act (treatment of share capital following a reorganisation) shall not apply in relation to the existing holding.
- (2) Subsection (10) of section 116 of that Act (reorganisations, conversions and reconstructions) shall not apply in any case where the old asset consists of shares held (in the same capacity) by the investor—
- (a) that have been held by the investor continuously from the time they were issued until the relevant transaction, and
 - (b) to which relief is attributable immediately before that transaction.
- In this sub-paragraph “old asset” and “the relevant transaction” have the meanings given in section 116 of that Act.
- (3) For the purposes of sub-paragraph (1)—
- “corresponding bonus shares” means bonus shares that—
 - (a) are issued in respect of shares comprised in the existing holding, and
 - (b) are of the same class, and carry the same rights, as those shares;
 - “reorganisation” has the meaning given in section 126 of that Act.
- (4) The following provisions of the 1992 Act have effect subject to this paragraph—

Status: This is the original version (as it was originally enacted).

section 116 (reorganisations, conversions and reconstructions);
Chapter 2 of Part 4 (reorganisation of share capital, conversion of securities
etc).

Company reconstructions etc

- 41 (1) Where—
- (a) the investor holds shares in or debentures of a company (“company A”),
 - (b) there is a reconstruction or amalgamation affecting that holding (“the existing holding”),
 - (c) immediately before the reconstruction or amalgamation, relief is attributable to the shares or debentures comprised in the existing holding in respect of one or more tax years or accounting periods, and
 - (d) the shares or debentures comprised in the existing holding have been held by the investor continuously from the time they were issued until the reconstruction or amalgamation,
- sections 135 and 136 of the 1992 Act (share exchanges and company reconstructions) shall not apply in respect of the existing holding.
- (2) Sub-paragraph (1)(a) applies only where the shares or debentures are held by the investor in the same capacity.
- (3) For the purposes of sub-paragraph (1) a “reconstruction or amalgamation” means an issue by a company of shares in or debentures of that company in exchange for or in respect of shares in or debentures of company A.
- (4) The following provisions of the 1992 Act have effect subject to this paragraph—
section 116 (reorganisations, conversions and reconstructions);
Chapter 2 of Part 4 (reorganisation of share capital, conversion of securities
etc).