

SCHEDULES

SCHEDULE 5

ENTERPRISE MANAGEMENT INCENTIVES

PART 3

QUALIFYING COMPANIES

Meaning of “qualifying trade”

- 15 (1) A trade is a qualifying trade if—
- (a) it is carried on wholly or mainly in the United Kingdom,
 - (b) it is conducted on a commercial basis and with a view to the realisation of profits, and
 - (c) it does not consist (either wholly or as to a substantial part) in the carrying on of excluded activities.
- (2) The carrying on of activities of research and development from which it is intended that a connected qualifying trade will be derived or benefit counts as the carrying on of a qualifying trade.
- (3) But preparing to carry on such activities does not count as preparing to carry on a qualifying trade.
- (4) In sub-paragraph (2) “connected qualifying trade” means a qualifying trade carried on—
- (a) by the company carrying on the activities of research and development, or
 - (b) if that company is a member of a group, by any other member of the group.