

## SCHEDULES

### SCHEDULE 19

#### VENTURE CAPITAL TRUSTS

#### PART 3

##### MISCELLANEOUS

11 In paragraph 6 (requirements as to the money raised by the investment in question)

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- (a) in sub-paragraph (1)(a)(ii), for the words from “the relevant company” to “employ” substitute “is intended to be employed”,
  - (b) in sub-paragraph (2AA)(b), for the words from “the relevant company” to the end substitute “the condition in paragraph 3(4)(a) above was satisfied”,
  - (c) for sub-paragraphs (2A) to (2C) substitute—

“(2AB) The requirements of this paragraph are not satisfied if either of the following, namely—

- (a) the trade by reference to which the requirements of paragraph 3(3) above are satisfied, and
- (b) any preparations for that trade falling within paragraph 3(3)(b) above,

are carried on, at any time after the issue of the relevant holding, by a person other than the relevant company or a relevant qualifying subsidiary of that company.

(2AC) Sub-paragraph (2AD) below applies where preparations mentioned in sub-paragraph (2AB)(b) above are carried on by the relevant company or a relevant qualifying subsidiary of that company at any time after the issue of the relevant holding.

(2AD) Where this sub-paragraph applies, the requirements of this paragraph are not to be regarded, by virtue of sub-paragraph (2AB) above, as failing to be satisfied by reason only of the carrying on of the trade mentioned in sub-paragraph (2AB)(a) above by a person other than—

- (a) the relevant company, or
- (b) a qualifying subsidiary of that company,

at any time after the issue of the relevant holding but before the relevant company or any relevant qualifying subsidiary of that company carries on that trade.

(2AE) The requirements of this paragraph are not to be regarded, by virtue of sub-paragraph (2AB) above, as failing to be satisfied

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*Status: This is the original version (as it was originally enacted).*

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by reason only of the carrying on of the trade mentioned in sub-paragraph (2AB)(a) above—

- (a) by the partners in a partnership of which the relevant company, or a relevant qualifying subsidiary of that company, is a member, or
- (b) by the parties to a joint venture to which the relevant company, or a relevant qualifying subsidiary of that company, is a party.

(2AF) The requirements of this paragraph are not to be regarded, by virtue of sub-paragraph (2AB) above, as failing to be satisfied if—

- (a) by reason only of anything done as a consequence of the relevant company or any other company being in administration or receivership, or
- (b) by reason only of the relevant company or any other company being wound up or dissolved without winding up,

the trade mentioned in sub-paragraph (2AB)(a) above ceases to be carried on by the relevant company or a relevant qualifying subsidiary of that company and is subsequently carried on by a person who has not been connected, at any time after the date which is one year before the issue of the relevant holding, with the relevant company.

(2AG) Sub-paragraph (2AF) above applies only if (as the case may be)

- (a) the entry into administration or receivership and everything done as a consequence of the company concerned being in administration or receivership, or
- (b) the winding up or dissolution,

is for bona fide commercial reasons and is not part of a scheme or arrangement the main purpose of which or one of the main purposes of which is the avoidance of tax.

(2AH) Sub-paragraph (2) of paragraph 11A below applies for the purposes of sub-paragraphs (2AF) and (2AG) above as it applies for the purpose of that paragraph.”,

- (d) omit sub-paragraph (5).