



Income Tax Act 2007

2007 CHAPTER 3

PART 7

COMMUNITY INVESTMENT TAX RELIEF

CHAPTER 2

ACCREDITED COMMUNITY DEVELOPMENT FINANCE INSTITUTIONS

340 Application and criteria for accreditation

- (1) Applications for accreditation as a community development finance institution must be made to the Secretary of State in the form and manner specified by the Secretary of State.
- (2) The Secretary of State is to accredit a body if (and only if) the Secretary of State is satisfied—
 - (a) that the body's principal objective is to provide (directly or indirectly)—
 - (i) finance, or
 - (ii) finance and access to business advice,for enterprises for disadvantaged communities, and
 - (b) that the body meets any other criteria specified in regulations made by the Treasury.
- (3) For the purposes of this section "enterprises for disadvantaged communities" include—
 - (a) enterprises located in disadvantaged areas, and
 - (b) enterprises owned or operated by, or designed to serve, members of disadvantaged groups.
- (4) The criteria mentioned in paragraph (b) of subsection (2) may include criteria relating to the enterprises to which the body provides or proposes to provide finance or access to business advice.

Status: This is the original version (as it was originally enacted).

- (5) Regulations under that paragraph may make the provision authorised by that paragraph by reference to any material published by, or on behalf of, the Secretary of State (whether before or after the coming into force of this section).
- (6) Regulations under that paragraph—
 - (a) may make different provision for different cases or circumstances or in relation to different areas, and
 - (b) may, in particular, make different provision in the case of bodies whose principal objective in providing finance as mentioned in subsection (2)(a) is to invest directly in enterprises that meet the conditions of subsection (7).
- (7) An enterprise meets the conditions of this subsection if it uses the money invested in it for the purposes of its business and either—
 - (a) that business does not include the provision of finance for other enterprises, or
 - (b) if it does, the nature and extent of such provision meets any conditions prescribed by regulations made by the Treasury.
- (8) If the Secretary of State accredits a body of a kind mentioned in subsection (6)(b), the Secretary of State must specify in the accreditation that the body is accredited as a retail community development finance institution.

341 Terms and conditions of accreditation

- (1) An accreditation under this Chapter must—
 - (a) be made on—
 - (i) any terms required by regulations, and
 - (ii) any other terms the Secretary of State considers appropriate, and
 - (b) be made conditional on compliance with—
 - (i) any requirements imposed by regulations, and
 - (ii) any other requirements the Secretary of State considers appropriate.
- (2) The requirements that may be imposed by virtue of subsection (1)(b) include requirements relating to the provision of information.
- (3) Regulations may—
 - (a) make provision for appeals to the Special Commissioners against refusals to grant accreditation under this Chapter,
 - (b) make provision about the consequences of a failure to comply with any requirement of an accreditation, including—
 - (i) provision for the withdrawal of the accreditation with effect from the time of the failure or a later time, and
 - (ii) provision for the imposition of penalties,
 - (c) make provision for the making of decisions by the Secretary of State as to any matter required to be decided for the purposes of the regulations,
 - (d) make different provision for different cases or circumstances or in relation to different areas, and
 - (e) contain incidental, supplemental, consequential and transitional provision and savings.
- (4) In this section “regulations” means regulations made by the Treasury.

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

342 Period of accreditation

- (1) An accreditation has effect for a period (an “accreditation period”) of 3 years beginning on the day specified in the accreditation.
- (2) Subject to subsection (4), the accreditation must not specify a day which is earlier than—
 - (a) if the body is not accredited under this Chapter at the time the application is made, the day the accreditation is granted, and
 - (b) if the body is so accredited, the time the body’s current accreditation expires.
- (3) Subsection (4) applies if—
 - (a) the body is accredited at the time the application is made, and
 - (b) it makes a request under this subsection.
- (4) The new accreditation may specify that the existing accreditation is to be treated for the purposes of this Part (including subsection (2)(b)) as expiring immediately before the grant of the new accreditation (if it would otherwise expire at a later time).
- (5) This section has effect subject to section 341(3)(b) (power to provide for the withdrawal of accreditation).

343 Delegation of Secretary of State’s functions

The Secretary of State may delegate any functions conferred on the Secretary of State by or under this Chapter.