



# 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.

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*Status: This is the original version (as it was originally enacted).*

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- (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.