



Finance Act 2014

2014 CHAPTER 26

PART 1

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER 4

OTHER PROVISIONS

Investment reliefs

53 Venture capital trusts

Schedule 10 contains provision about venture capital trusts.

54 Removing time limit on seed enterprise investment scheme relief

(1) Section 257A of ITA 2007 (meaning of “SEIS relief” and commencement) is amended as follows.

(2) For subsection (3) (which limits SEIS relief to shares issued on or after 6 April 2012 but before 6 April 2017) substitute—

“(3) This Part has effect in relation to shares issued on or after 6 April 2012 only.”

(3) Omit subsection (4) (which allows the Treasury to extend SEIS relief by order).

55 Removing time limit on CGT relief in respect of re-investment under SEIS

(1) In Schedule 5BB to TCGA 1992 (seed enterprise investment scheme: re-investment), in paragraph 1 (SEIS re-investment relief)—

(a) in sub-paragraph (2)(a), for “or the tax year 2013-14” substitute “or any subsequent tax year”, and

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- (b) in sub-paragraph (5A), in the definition of “the relevant percentage”, in paragraph (b), for “the tax year 2013-14” substitute “any subsequent tax year”.
- (2) Accordingly, in section 150G of TCGA 1992 (which introduces Schedule 5BB), omit “in the tax years 2012-13 and 2013-14”.

56 Exclusion of incentivised electricity or heat generation activities

- (1) ITA 2007 is amended as follows.
- (2) In section 192 (EIS: meaning of “excluded activities”)—
 - (a) in subsection (1), omit the “and” at the end of paragraph (ka) and after that paragraph insert—
 - “(kb) the subsidised generation of heat or subsidised production of gas or fuel, and”, and
 - (b) in subsection (2), omit the “and” at the end of paragraph (f) and after paragraph (g) insert “, and
 - (h) section 198B (subsidised generation of heat and subsidised production of gas or fuel).”
- (3) In section 198A (excluded activities: subsidised generation or export of electricity)—
 - (a) for subsection (3) substitute—
 - “(3) The generation of electricity is “subsidised” if—
 - (a) a person receives a FIT subsidy in respect of the electricity generated,
 - (b) a renewables obligation certificate is issued in connection with the generation of the electricity, or
 - (c) a scheme established in a territory outside the United Kingdom, and corresponding to that set out in a renewables obligation order under section 32 of the Electricity Act 1989, operates to incentivise the generation of the electricity.”
 - (b) in subsection (6), omit the “or” after paragraph (c) and after paragraph (d) insert “, or
 - (e) an SCE formed in accordance with Council Regulation ([EC](#) [No 1435/2003](#) on the Statute for a European Cooperative Society.”, and
 - (c) in subsection (9), at the end insert—
 - ““renewables obligation certificate” means a certificate issued under section 32B of the Electricity Act 1989 or Article 54 of the Energy (Northern Ireland) Order 2003.”
- (4) After that section insert—

“198B Excluded activities: subsidised generation of heat and subsidised production of gas or fuel

- (1) This section supplements section 192(1)(kb).
- (2) The generation of heat, or production of gas or fuel, is “subsidised” if a payment is made, or another incentive is given, under—

- (a) a scheme established by regulations under section 100 of the Energy Act 2008 or section 113 of the Energy Act 2011 (renewable heat incentives), or
 - (b) a similar scheme established in a territory outside the United Kingdom,

in respect of the heat generated, or gas or fuel produced.
 - (3) But the generation of heat, or production of gas or fuel, is not to be taken to fall within section 192(1)(kb) if Condition A or B is met.
 - (4) Condition A is that the generation or production is carried on by—
 - (a) a community interest company,
 - (b) a co-operative society,
 - (c) a community benefit society,
 - (d) a NI industrial and provident society, or
 - (e) an SCE formed in accordance with Council Regulation (EC) No 1435/2003 on the Statute for a European Cooperative Society.
 - (5) Condition B is that the plant used for the generation of the heat, or production of the gas or fuel, relies wholly or mainly on anaerobic digestion.
 - (6) Section 198A(9) (definitions) applies for the purposes of this section as for the purposes of section 198A.”
- (5) In section 303 (VCTs: meaning of “excluded activities”)—
- (a) in subsection (1), omit the “and” at the end of paragraph (ka) and after that paragraph insert—
 - “(kb) the subsidised generation of heat or subsidised production of gas or fuel, and”, and
 - (b) in subsection (2), omit the “and” at the end of paragraph (f) and after paragraph (g) insert “, and
 - (h) section 309B (subsidised generation of heat and subsidised production of gas and fuel).”
- (6) In section 309A (excluded activities: subsidised generation or export of electricity)—
- (a) for subsection (3) substitute—
 - “(3) The generation of electricity is “subsidised” if—
 - (a) a person receives a FIT subsidy in respect of the electricity generated,
 - (b) a renewables obligation certificate is issued in connection with the generation of the electricity, or
 - (c) a scheme established in a territory outside the United Kingdom, and corresponding to that set out in a renewables obligation order under section 32 of the Electricity Act 1989, operates to incentivise the generation of the electricity.”,
 - (b) in subsection (6), omit the “or” after paragraph (c) and after paragraph (d) insert “, or
 - (e) an SCE formed in accordance with Council Regulation (EC) No 1435/2003 on the Statute for a European Cooperative Society.”, and
 - (c) in subsection (9), at the end insert—

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

““renewables obligation certificate” means a certificate issued under section 32B of the Electricity Act 1989 or Article 54 of the Energy (Northern Ireland) Order 2003.”

(7) After that section insert—

“309B Excluded activities: subsidised generation of heat and subsidised production of gas or fuel

- (1) This section supplements section 303(1)(kb).
- (2) The generation of heat, or production of gas or fuel, is “subsidised” if a payment is made, or another incentive is given, under—
 - (a) a scheme established by regulations under section 100 of the Energy Act 2008 or section 113 of the Energy Act 2011 (renewable heat incentives), or
 - (b) a similar scheme established in a territory outside the United Kingdom,in respect of the heat generated or gas or fuel produced.
- (3) But the generation of heat, or production of gas or fuel, is not to be taken to fall within section 303(1)(kb) if Condition A or B is met.
- (4) Condition A is that the generation or production is carried on by—
 - (a) a community interest company,
 - (b) a co-operative society,
 - (c) a community benefit society,
 - (d) a NI industrial and provident society, or
 - (e) an SCE formed in accordance with Council Regulation (EC) No [1435/2003](#) on the Statute for a European Cooperative Society.
- (5) Condition B is that the plant used for the generation of the heat, or production of the gas or fuel, relies wholly or mainly on anaerobic digestion.
- (6) Section 309A(9) (definitions) applies for the purposes of this section as for the purposes of section 309A.”
- (8) The amendments made by subsections (2) to (4) have effect in relation to shares issued on or after the day on which this Act is passed.
- (9) The amendments made by subsections (5) to (7) have effect in relation to a relevant holding issued on or after the day on which this Act is passed.