

## SCHEDULES

### SCHEDULE 10

#### VENTURE CAPITAL TRUSTS

##### *Approval of VCT: return of capital*

3 (1) Section 281 of ITA 2007 (withdrawal of VCT approval of a company) is amended as follows.

(2) In subsection (1), omit the “or” at the end of paragraph (d) and after paragraph (e) insert—

“(f) that, while it has been a VCT, the company has issued shares and, before the end of the restricted period, the company, other than for the purpose of redeeming or repurchasing any of those shares, has—

(i) made a payment to all or any of its shareholders of an amount representing (directly or indirectly) a repayment of its share capital, whether that payment was made out of a reserve arising from a reduction of share capital or otherwise,

(ii) where the shares were issued at a premium, made a payment to all or any of its shareholders of an amount representing (directly or indirectly) that premium or any part of it, whether that payment was made out of a share premium reserve or otherwise, or

(iii) used an amount which represents (directly or indirectly) the company’s share capital or an amount by which that share capital has been diminished, or, where the shares were issued at a premium, that premium (or any part of it), to pay up new shares to be allotted to all or any of its shareholders.”

(3) After that subsection insert—

“(1A) In subsection (1)(f)—

“payment”—

(a) does not include any distribution of assets made in connection with the winding up of the company, but

(b) does include every other description of distribution of the company’s assets to its members,

and for this purpose “distribution” includes (but is not limited to) a distribution within the meaning of section 989,

“reduction of share capital” has the same meaning as in section 1027A(2) of CTA 2010, and

“the restricted period” means the period of 3 years beginning at the end of the accounting period of the company in which the shares were issued.”

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*Status: This is the original version (as it was originally enacted).*

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- (4) The amendments made by this paragraph have effect in relation to shares issued on or after 6 April 2014.
- (5) In section 281(1)(f)(i) or (iii) of ITA 2007 references to a company's share capital do not include so much (if any) of its share capital as consists of shares issued before 6 April 2014.