

SCHEDULES

SCHEDULE 11

TAX RELIEF FOR SOCIAL INVESTMENTS

PART 2

CONSEQUENTIAL AMENDMENTS

- 2 (1) Section 98 of TMA 1970 (penalties) is amended as follows.
- (2) In column 1 of the Table, after the entry for sections 257GG and 257GH(1) and (2) of ITA 2007, insert—

“sections 257SG and 257SH(1) and (2) of ITA 2007;”

- (3) In column 2 of the Table, after the entry for sections 257GE and 257GF of ITA 2007, insert—

“sections 257SE and 257SF of ITA 2007;”

- 3 ITA 2007 is amended as follows.
- 4 In section 2 (overview of Act) after subsection (5A) insert—
- “(5B) Part 5B is about relief for social investments.”
- 5 In section 24A(7)(d) (share loss relief on the disposal of certain investments not subject to the limit on deductions imposed by section 24A) after sub-paragraph (ii) insert “, or
- (iii) where SI relief is attributable to the shares in question as determined in accordance with Part 5B (income tax relief for social investments).”
- 6 In section 26(1)(a) (provisions giving rise to deductions at Step 6 of the calculation in section 23) after the entry for Chapter 1 of Part 5A of ITA 2007 insert—
- “Chapter 1 of Part 5B (relief for social investments).”
- 7 In section 27(5) (order in which certain tax reductions are to be made) after the entry for Chapter 1 of Part 5A of ITA 2007 insert—
- “Chapter 1 of Part 5B (relief for social investments).”
- 8 In section 29(4B) (limit on certain tax reductions) after the entry for Chapter 1 of Part 5 of ITA 2007 insert—
- “Chapter 1 of Part 5B (relief for social investments).”
- 9 In section 32 (liabilities to income tax not dealt with in the calculation under Chapter 3 of Part 2) after the entry for section 257G of ITA 2007 insert—

Status: This is the original version (as it was originally enacted).

- “under section 257S (withdrawal or reduction of relief for social investments),”.
- 10 In section 392 (loan to buy interest in close company) after subsection (3) insert—
- “(3A) Subsection (2) does not apply if at any time the individual by whom the shares are acquired or the money is lent, or that individual’s spouse or civil partner, makes—
- (a) a claim under Part 5B of this Act for relief in respect of the amount invested in acquiring the shares or (as the case may be) in return for the debentures in respect of the money lent, or
 - (b) a claim in respect of the amount under Schedule 8B to TCGA 1992 (hold-over relief for gains re-invested in social enterprises).
- (3B) For the purposes of subsection (3A)(a) “debenture” includes any instrument creating or acknowledging indebtedness.”
- 11 In section 416 (gift aid: meaning of “qualifying donation”) after subsection (6) insert—
- “(6A) Condition EA is that the payment is not by way of, and does not amount in substance to, waiver by the individual of entitlement to sums (whether of principal or return) due to the individual from the charity in respect of an amount—
- (a) advanced to the charity, and
 - (b) in respect of which a person, whether or not the individual, has obtained relief under Part 5B (relief for social investments).”
- 12 In section 1014(5)(b) (orders and regulations not subject to negative procedure) after sub-paragraph (iii) insert—
- “(iiiia) section 257MB (amendment of Part 5B: amounts that may be raised from social investments; and State aid),”.
- 13 In section 1022 (meaning of “debenture”) after subsection (1) insert—
- “(1A) For the meaning of “debenture” in sections 257KB(3) to (5), 257L(4), 257LA(2) and 392(3A)(a), see also sections 257KB(6), 257L(6), 257LA(4) and 392(3B).”