



Finance Act 2014

2014 CHAPTER 26

PART 1

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER 4

OTHER PROVISIONS

Investment reliefs

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,

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- (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.”

^{F1}(b)

- (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

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- (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.”,
 - ^{F2}(b)
 - (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.”
- (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.

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- (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.

Textual Amendments

- F1** S. 56(3)(b) omitted (with application in accordance with Sch. 6 para. 14 of the amending Act) by virtue of [Finance Act 2015 \(c. 11\)](#), [Sch. 6 para. 12\(a\)](#)
- F2** S. 56(6)(b) omitted (with application in accordance with Sch. 6 para. 14 of the amending Act) by virtue of [Finance Act 2015 \(c. 11\)](#), [Sch. 6 para. 12\(a\)](#)

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 212(4)(f) and word inserted by [2021 c. 26 Sch. 27 para. 43\(b\)\(ii\)](#)
- s. 212(5)(a)(iv) and word inserted by [2021 c. 26 Sch. 27 para. 43\(c\)\(ii\)](#)
- s. 212(5)(b)(iv) and word inserted by [2021 c. 26 Sch. 27 para. 43\(c\)\(iv\)](#)
- s. 212(5)(c)(iv) and word inserted by [2021 c. 26 Sch. 27 para. 43\(c\)\(v\)](#)
- Sch. 31 para. 2(3)(b) inserted by [2017 c. 32 Sch. 14 para. 45\(2\)\(a\)\(iii\)](#)
- Sch. 31 para. 2(4A) inserted by [2017 c. 32 Sch. 14 para. 45\(2\)\(c\)](#)
- Sch. 31 para. 3(1A) inserted by [2017 c. 32 Sch. 14 para. 45\(3\)\(b\)](#)
- Sch. 31 para. 5(b) inserted by [2017 c. 32 Sch. 14 para. 45\(4\)\(c\)](#)
- Sch. 31 para. 2(3)(a) words inserted by [2017 c. 32 Sch. 14 para. 45\(2\)\(a\)\(ii\)](#)
- Sch. 31 para. 5(a) words inserted by [2017 c. 32 Sch. 14 para. 45\(4\)\(b\)](#)
- Sch. 31 para. 2(3)(a) words renumbered as Sch. 31 para. 2(3)(a) by [2017 c. 32 Sch. 14 para. 45\(2\)\(a\)\(i\)](#)
- Sch. 31 para. 5(a) words renumbered as Sch. 31 para. 5(a) by [2017 c. 32 Sch. 14 para. 45\(4\)\(a\)](#)
- Sch. 32 para. 1(2)(b) inserted by [2017 c. 32 Sch. 14 para. 46\(2\)\(a\)\(iii\)](#)
- Sch. 32 para. 1(3A) inserted by [2017 c. 32 Sch. 14 para. 46\(2\)\(c\)](#)
- Sch. 32 para. 1(2)(a) words inserted by [2017 c. 32 Sch. 14 para. 46\(2\)\(a\)\(ii\)](#)
- Sch. 32 para. 1(2)(a) words renumbered as Sch. 32 para. 1(2)(a) by [2017 c. 32 Sch. 14 para. 46\(2\)\(a\)\(i\)](#)