
Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2015, Paragraph 11. (See end of Document for details)

SCHEDULES

SCHEDULE 5

ENTERPRISE INVESTMENT SCHEME

General requirements

- 11 (1) Section 175 (the use of money raised requirement) is amended as follows.
- (2) For subsection (1A) substitute—
- “(1ZA) Employing money raised by the issue of the relevant shares (whether on its own or together with other money) on the acquisition, directly or indirectly, of—
- (a) an interest in another company such that a company becomes a 51% subsidiary of the issuing company,
 - (b) a further interest in a company which is a 51% subsidiary of the issuing company,
 - (c) a trade,
 - (d) intangible assets employed for the purposes of a trade, or
 - (e) goodwill employed for the purposes of a trade,
- does not amount to employing that money for the purposes of a qualifying business activity.
- (1ZB) The Treasury may by regulations provide that subsection (1ZA) does not apply in relation to acquisitions of intangible assets which are of a description specified, or which occur in circumstances specified, in the regulations.
- (1ZC) For the purposes of subsections (1ZA) and (1ZB)—
- “goodwill” has the same meaning as in Part 8 of CTA 2009 (see section 715(3));
 - “intangible assets” means any asset which falls to be treated as an intangible asset in accordance with generally accepted accountancy practice;
- and section 173A(6) and (7) (meaning of “trade” etc) applies as it applies for the purposes of section 173A.
- (1A) Also, otherwise employing money on the acquisition of shares or stock in a company does not of itself amount to employing the money for the purposes of a qualifying business activity.”

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