

SCHEDULES

SCHEDULE 3

ENTREPRENEURS’ RELIEF

PART 1

REDUCTION IN LIFETIME LIMIT

Anti-forestalling: reorganisations of share capital

- 4 (1) This paragraph applies where—
- (a) on or after 6 April 2019 but before 11 March 2020, there is a reorganisation, and
 - (b) on 11 March 2020—
 - (i) the company is the relevant individual’s personal company and is either a trading company or the holding company of a trading group, and
 - (ii) the relevant individual is an officer or employee of the company or (if the company is a member of a trading group) of one or more companies which are members of the trading group.
- (2) In sub-paragraph (1) “the relevant individual” means—
- (a) where a claim under section 169M of TCGA 1992 is made jointly by the trustees of a settlement and a qualifying beneficiary, the qualifying beneficiary;
 - (b) where a claim under that section is made by an individual, the individual.
- (3) Where an election in respect of the reorganisation is made under section 169Q of TCGA 1992 (reorganisations: disapplication of section 127) on or after 11 March 2020, the disposal of the original shares is to be treated for the purposes of paragraph 2 as taking place at the time of the election and not at the time of the reorganisation.
- (4) References in this paragraph to a reorganisation do not include an exchange of shares or securities which is treated as a reorganisation by virtue of section 135 or 136 of TCGA 1992 (but see paragraph 5).