



# Finance Act 2016

## 2016 CHAPTER 24

### PART 1

#### INCOME TAX

*Reliefs: enterprise investment scheme, venture capital trusts etc*

#### **30 EIS and VCTs: election**

- (1) If a company (“the relevant company”) makes an election for this section to apply, then—
- (a) the amendments made by subsection (1) of section 29 do not apply in relation to shares issued by the relevant company in the material period,
  - (b) the amendments made by subsection (2) of that section do not apply for the purposes of determining whether, at the date of issue of any shares issued by the company in the material period, the company is a knowledge-intensive company for the purposes of Part 5 of ITA 2007,
  - (c) the amendments made by subsection (3) of that section do not apply in relation to investments made in the relevant company in the material period,
  - (d) the amendments made by subsection (4) of that section do not apply for the purposes of determining whether the requirement of section 294A of ITA 2007 is met in relation to any holding of shares or securities issued by the relevant company in the material period, and
  - (e) the amendments made by subsection (5) of that section do not apply for the purposes of determining whether, at any time in the material period which is the applicable time within the meaning given by section 331A of ITA 2007, the relevant company is a knowledge-intensive company for the purposes of Part 6 of ITA 2007.
- (2) Amendments that by reason of an election under this section do not apply in relation to particular shares or investments or for particular purposes are also to be treated as never having applied in relation to those shares or investments or for those purposes.

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*Changes to legislation:* There are outstanding changes not yet made by the legislation.gov.uk editorial team to Finance Act 2016. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

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- (3) Any election under this section must be made in writing and signed by a director of the relevant company.
- (4) Where a company has made an election under this section—
  - (a) it must include a statement that the election has been made in any compliance statement subsequently provided by it under section 204(2) of ITA 2007 in respect of an issue of shares made by it in the material period, and
  - (b) it must provide a copy of the election to each company to which it has issued shares or securities in the material period.
- (5) An election under this section is irrevocable.
- (6) In this section “the material period” means the period beginning with 18 November 2015 (the date when F(No. 2)A 2015 was passed) and ending with 5 April 2016.

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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):

- Sch. 19 para. 12(5)(b) inserted by [2017 c. 32 Sch. 14 para. 49\(2\)\(c\)](#)
- Sch. 19 para. 12(5)(a) word inserted by [2017 c. 32 Sch. 14 para. 49\(2\)\(b\)](#)
- Sch. 19 para. 51(8)(b) words inserted by [2017 c. 32 Sch. 14 para. 48\(2\)](#)
- Sch. 19 para. 53(1) words inserted by [2017 c. 32 Sch. 14 para. 48\(4\)\(a\)](#)
- Sch. 19 para. 53(1) words inserted by [2017 c. 32 Sch. 14 para. 48\(4\)\(b\)](#)
- Sch. 19 para. 12(5)(a) words renumbered as Sch. 19 para. 12(5)(a) by [2017 c. 32 Sch. 14 para. 49\(2\)\(a\)](#)
- Sch. 19 para. 58(1) words substituted by [2017 c. 32 Sch. 14 para. 48\(5\)](#)
- Sch. 20 para. 1(4)(e) inserted by [2021 c. 26 Sch. 27 para. 47\(2\)](#)
- Sch. 20 para. 3(3)(d) and word inserted by [2021 c. 26 Sch. 27 para. 47\(3\)\(b\)](#)
- Sch. 20 para. 5(5) inserted by [2021 c. 26 Sch. 27 para. 47\(5\)](#)
- Sch. 22 para. 2(4B) inserted by [2021 c. 26 Sch. 27 para. 48\(2\)\(c\)](#)
- Sch. 22 para. 3(4A) inserted by [2021 c. 26 Sch. 27 para. 48\(3\)](#)