

## SCHEDULES

### SCHEDULE 13

#### CHANGES TO EIS ETC

#### PART I

#### EIS INCOME TAX RELIEF

##### *Eligibility for relief*

- 1 (1) In subsection (1) of section 289 of the Taxes Act 1988—
- (a) in paragraph (a), after the words “has subscribed” there shall be inserted the words “wholly in cash”;
  - (b) after that paragraph there shall be inserted the following paragraph—
    - “(aa) at the time when they are issued the shares are fully paid up (disregarding for this purpose any undertaking to pay cash to the company at a future date),”;
  - (c) in paragraph (b), after the words “the shares” there shall be inserted the words “and all other shares comprised in the same issue”; and
  - (d) in paragraph (c), for the words “that activity” there shall be substituted the words “the activity mentioned in paragraph (b) above”.
- (2) In subsection (1A)(c) of that section, for the word “subsidiary” there shall be substituted the words “90 per cent. subsidiary”.
- (3) In subsection (6) of that section, after the word “subscribed” there shall be inserted the word “for”.
- (4) In subsection (7) of that section, the word “preferential”, in the second place where it occurs, shall cease to have effect.
- (5) After subsection (8) of that section there shall be inserted the following subsection—
- “(9) In this section “90 per cent. subsidiary”, in relation to the qualifying company, means a subsidiary of a kind which the company might hold by virtue of section 308 if—
    - (a) the references in subsection (2) of that section to 75 per cent. were references to 90 per cent.; and
    - (b) subsection (4) of that section were omitted.”