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*Changes to legislation: There are currently no known outstanding effects  
for the Finance Act 1998, Paragraph 42. (See end of Document for details)*

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## SCHEDULES

### SCHEDULE 13

#### CHANGES TO EISETC

#### PART IV

##### BES INCOME TAX RELIEF AND RELIEF AGAINST CHARGEABLE GAINS

- 42 (1) In subsection (4)(a) of section 150 of the <sup>M1</sup>Taxation of Chargeable Gains Act 1992 (business expansion schemes)—
- (a) for the words “issued to a person” there shall be substituted the words “acquired by an individual”; and
  - (b) after the word “relates” there shall be inserted the word “to”.
- (2) In subsection (5) of that section, for the words “Notwithstanding anything in section 107(1) and (2), section 107 does not apply” there shall be substituted the words “Sections 104, 105 and 106A do not apply”.
- (3) In subsection (7) of that section, for the words “eligible shares” there shall be substituted the words “shares in respect of which relief has been given and not withdrawn”.
- (4) In subsection (8) of that section, the word “eligible” shall cease to have effect.
- (5) In subsection (8A)(a) of that section, the word “preferential”, in the second place where it occurs, shall cease to have effect.
- (6) After subsection (8C) of that section there shall be inserted the following subsection—
- “(8D) Where shares in respect of which relief has been given and not withdrawn are exchanged for other shares in circumstances such that section 304A of the Taxes Act (acquisition of share capital by new company) applies—
- (a) subsection (8) above shall not have effect to disapply section 135; and
  - (b) subsections (2)(b), (3) and (4) of section 304A of the Taxes Act, and subsection (5) of that section so far as relating to section 306(2) of that Act, shall apply for the purposes of this section as they apply for the purposes of Chapter III of Part VII of that Act.”
- (7) After subsection (11) of that section there shall be inserted the following subsection—
- “(12) In this section—
- “ordinary share capital” has the same meaning as in the Taxes Act;

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“ordinary shares”, in relation to a company, means shares forming part of its ordinary share capital.”

(8) In this paragraph—

- (a) sub-paragraphs (1) and (2) have effect in relation to disposals made on or after 6th April 1998;
- (b) sub-paragraph (3) has effect in relation to subsequent disposals made on or after that date;
- (c) sub-paragraph (4) has effect in relation to events occurring on or after that date;
- (d) sub-paragraph (5) has effect in relation to new shares (within the meaning of section 150(8A) of the <sup>M2</sup>Taxation of Chargeable Gains Act 1992) issued on or after that date;
- (e) sub-paragraph (6) has effect in relation to new shares (within the meaning of section 304A of the Taxes Act 1988) issued on or after that date; and
- (f) sub-paragraph (7) has effect in relation to events occurring on or after that date.

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**Marginal Citations**

**M1** 1992 c. 12.

**M2** 1992 c. 12.

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