

Status: Point in time view as at 31/07/1998.

Changes to legislation: Finance Act 1998, Part II is up to date with all changes known to be in force on or before 01 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

SCHEDULES

SCHEDULE 13

CHANGES TO EIS ETC

PART II

EIS RELIEF AGAINST CHARGEABLE GAINS

- 24 (1) In subsections (1) and (2) of section 150A of the ^{M1}Taxation of Chargeable Gains Act 1992 (enterprise investment schemes), the word “eligible” shall cease to have effect.
- (2) In subsection (4)(a) of that section, for the words “issued to a person at different times a disposal relates” there shall be substituted the words “acquired by an individual at different times a disposal relates to”.
- (3) In subsection (5) of that section, for the words “Sections 104, 105 and 107” there shall be substituted the words “Sections 104, 105 and 106A”.
- (4) For subsection (6) of that section there shall be substituted the following subsections—
- “(6) Where an individual holds shares which form part of the ordinary share capital of a company and include shares of more than one of the following kinds, namely—
- (a) shares to which relief is attributable and to which subsection (6A) below applies,
 - (b) shares to which relief is attributable and to which that subsection does not apply, and
 - (c) shares to which relief is not attributable,
- then, if there is within the meaning of section 126 a reorganisation affecting those shares, section 127 shall apply (subject to the following provisions of this section) separately to shares falling within paragraph (a), (b) or (c) above (so that shares of each kind are treated as a separate holding of original shares and identified with a separate new holding).
- (6A) This subsection applies to any shares if—
- (a) expenditure on the shares has been set under Schedule 5B to this Act against the whole or part of any gain; and
 - (b) in relation to the shares there has been no chargeable event for the purposes of that Schedule.”
- (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—

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“(8D) Where shares to which relief is attributable 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 (10) of that section there shall be inserted the following subsection—

“(10A) In this section—

“ordinary share capital” has the same meaning as in the Taxes Act;

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

(8) In this paragraph—

- (a) sub-paragraphs (1) to (3) have effect in relation to disposals made on or after 6th April 1998;
- (b) sub-paragraph (4) has effect in relation to reorganisations taking effect on or after that date;
- (c) sub-paragraph (5) has effect in relation to new shares (within the meaning of section 150A(8A) of the ^{M2}Taxation of Chargeable Gains Act 1992) issued on or after that date;
- (d) 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
- (e) sub-paragraph (7) has effect in relation to events occurring on or after that date.

Marginal Citations

M1 1992 c. 12.

M2 1992 c. 12.

25 (1) In subsection (1) of section 150B of that Act (enterprise investment scheme: reduction of relief), the word “eligible” shall cease to have effect.

(2) This paragraph has effect in relation to disposals made on or after 6th April 1998.

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