
Changes to legislation: There are currently no known outstanding effects for the Finance Act 1998, Cross Heading: Application of Schedule. (See end of Document for details)

SCHEDULES

SCHEDULE 13

CHANGES TO EIS ETC

PART III

EIS DEFERRAL OF CHARGEABLE GAINS

Application of Schedule

- 27 (1) In sub-paragraph (1)(b) of paragraph 1, after the words “in accordance with” there shall be inserted the words “section 164F or 164FA, ”.
- (2) For sub-paragraphs (2) and (3) of that paragraph there shall be substituted the following sub-paragraphs—
- “(2) The investor makes a qualifying investment for the purposes of this Schedule if—
- (a) eligible shares in a company for which he has subscribed wholly in cash are issued to him at a qualifying time and, where that time is before the accrual time, the shares are still held by the investor at the accrual time,
 - (b) the company is a qualifying company in relation to the shares,
 - (c) 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),
 - (d) the shares are subscribed for, and issued, for bona fide commercial purposes and not as part of arrangements the main purpose or one of the main purposes of which is the avoidance of tax,
 - (e) the requirements of section 289(1A) of the Taxes Act are satisfied in relation to the company,
 - (f) all the shares comprised in the issue are issued in order to raise money for the purpose of a qualifying business activity, and
 - (g) the money raised by the issue is employed not later than the time mentioned in section 289(3) of the Taxes Act wholly for the purpose of that activity,
- and for the purposes of this Schedule, the condition in paragraph (g) above does not fail to be satisfied by reason only of the fact that an amount of money which is not significant is employed for another purpose.
- (3) In sub-paragraph (2) above “a qualifying time”, in relation to any shares subscribed for by the investor, means—
- (a) any time in the period beginning one year before and ending three years after the accrual time, or

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- (b) any such time before the beginning of that period or after it ends as the Board may by notice allow.”

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