



# Finance Act 1999

## 1999 CHAPTER 16

### PART III

#### INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

##### *Enterprise investment scheme*

#### **71 Eligibility for EIS relief**

- (1) In section 289 of the Taxes Act 1988 (eligibility for EIS relief), in subsection (1A)—
- (a) for paragraph (a) there shall be substituted—
    - “(a) is a company which—
      - (i) is such a company as is mentioned in section 293(2)(a), and
      - (ii) if it is a subsidiary of the qualifying company, is a 90 per cent subsidiary of that company, or”;
  - (b) in paragraph (b), for “such a company” there shall be substituted “a company falling within paragraph (a) above”.
- (2) This section applies in relation to shares issued on or after 6th April 1999.

#### **72 Deferred gains: application of taper relief**

- (1) After section 150C of the Taxation of Chargeable Gains Act 1992 insert—

##### **“150D Enterprise investment scheme: application of taper relief**

Schedule 5BA to this Act (which provides for the application of taper relief in cases where relief under Schedule 5B, or Chapter III of Part VII of the Taxes Act, applies) shall have effect.”

- (2) Schedule 7 to this Act (which inserts Schedule 5BA into that Act) shall have effect.

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*Status: This is the original version (as it was originally enacted).*

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- (3) In consequence of the insertion of Schedule 5BA, in that Act—
- (a) in section 2A(8) (qualifying holding period for taper relief), after “that Schedule” insert “and paragraph 3 of Schedule 5BA”; and
  - (b) in paragraph 2(4) of Schedule A1 (effect of periods not counting for taper relief purposes), after “paragraphs 10 to 12 below” insert “or paragraph 4 of Schedule 5BA”.

**73      Deferred gains: gain accruing on part disposal, etc**

- (1) Schedule 8 to this Act (which amends Schedule 5B to the Taxation of Chargeable Gains Act 1992 in relation to cases where there is a disposal of some, but not all, of the shares to which relief under that Schedule is attributable) shall have effect.
- (2) The amendments made by Schedule 8 to this Act have effect in relation to shares issued on or after 6th April 1999.