



# Income Tax Act 2007

## 2007 CHAPTER 3

### [<sup>F1</sup>PART 5A

#### SEED ENTERPRISE INVESTMENT SCHEME

### CHAPTER 3

#### GENERAL REQUIREMENTS

#### *The requirements*

#### [<sup>F1</sup>257CA] **The shares requirement**

- (1) The relevant shares must meet—
  - (a) the requirements of subsection (2), and
  - (b) unless they are bonus shares, the requirements of subsection (4).
- (2) Shares meet the requirements of this subsection if they are ordinary shares which do not, at any time during period B, carry—
  - (a) any present or future preferential right to dividends that is within subsection (3),
  - (b) any present or future preferential right to a company's assets on its winding up, or
  - (c) any present or future right to be redeemed.
- (3) A preferential right to dividends carried by a share in a company is within this subsection if—
  - (a) the amount of any dividends payable pursuant to the right, or the date or dates on which they are payable, depend to any extent on a decision of the company, the holder of the share or any other person, or

---

**Changes to legislation:** *There are outstanding changes not yet made by the legislation.gov.uk editorial team to Income Tax Act 2007. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

---

- (b) the amount of any dividends that become payable at any time pursuant to the right includes any amount that became payable at any earlier time pursuant to the right but has not been paid.
- (4) Shares meet the requirements of this subsection if they—
- (a) are subscribed for wholly in cash, and
  - (b) are fully paid up at the time they are issued.
- (5) Shares are not fully paid up for the purposes of subsection (4)(b) if there is any undertaking to pay cash to any person at a future date in respect of the acquisition of the shares.]

---

**Textual Amendments**

- F1** Pt. 5A inserted (17.7.2012) (with effect in accordance with Sch. 6 para. 24(1) of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [Sch. 6 para. 1](#)

**Changes to legislation:**

There are outstanding changes not yet made by the legislation.gov.uk editorial team to Income Tax Act 2007. Any changes that have already been made by the team appear in the content and are referenced with annotations.

[View outstanding changes](#)

**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 24B inserted by [2023 c. 30 Sch. 2 para. 10\(3\)](#)
- s. 788(7) inserted by [2007 c. 29 Sch. 21 para. 161\(b\)](#) (The amending provision was repealed before coming into force.)