



Income Tax Act 2007

2007 CHAPTER 3

[^{F1}PART 5A

SEED ENTERPRISE INVESTMENT SCHEME

CHAPTER 4

THE ISSUING COMPANY

The requirements

[^{F1}257DC] **The issuing company to carry on the qualifying business activity**

- (1) The requirement of this section is met in relation to the issuing company if, at no time in period B, is any of the following—
 - (a) the relevant new qualifying trade,
 - (b) relevant preparation work (if any), and
 - (c) relevant research and development (if any),carried on by a person other than the issuing company or a qualifying 90% subsidiary of that company.
- (2) Subsection (3) has effect for the purpose of determining whether the requirement of this section is met in relation to the issuing company in a case where relevant preparation work is carried out by that company or a qualifying 90% subsidiary of that company.
- (3) The carrying on of the relevant new qualifying trade by a company other than the issuing company or a subsidiary of that company is to be ignored if it takes place at any time in period B before the issuing company or any qualifying 90% subsidiary of that company begins to carry on that trade.

Changes to legislation: There are currently no known outstanding effects for the Income Tax Act 2007, Section 257DC. (See end of Document for details)

- (4) The requirement of this section is not regarded as failing to be met in relation to the issuing company if, merely because of any act or event within subsection (5), the relevant new qualifying trade—
- (a) ceases to be carried on in period B by the issuing company or any qualifying 90% subsidiary of that company, and
 - (b) is subsequently carried on in that period by a person who is not at any time in period A connected with the issuing company.
- (5) The following are acts and events within this subsection—
- (a) anything done as a consequence of the issuing company or any other company being in administration or receivership, and
 - (b) the issuing company or any other company being wound up, or dissolved without being wound up.
- (6) Subsection (4) applies only if—
- (a) the entry into administration or receivership, and everything done as a consequence of the company concerned being in administration or receivership, or
 - (b) the winding up or dissolution,
- is for genuine commercial reasons, and is not part of a scheme or arrangement the main purpose or one of the main purposes of which is the avoidance of tax.
- (7) In this section—
- “the relevant new qualifying trade” means the new qualifying trade which is the subject of that qualifying business activity;
- “relevant preparation work” means preparations within section 257HG(2)
- (b) which are the subject of the qualifying business activity mentioned in section 257CB;
- “relevant research and development” means—
- (a) research and development within section 257HG(3) which is the subject of that qualifying business activity, and
 - (b) any other preparations for the carrying on of the new qualifying trade which is the subject of that activity.]

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 currently no known outstanding effects for the Income Tax Act 2007, Section 257DC.