



# Income Tax Act 2007

## 2007 CHAPTER 3

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

#### SEED ENTERPRISE INVESTMENT SCHEME

### CHAPTER 8

#### SUPPLEMENTARY AND GENERAL

#### *Interpretation*

#### [<sup>F1</sup>257H] **Meaning of “qualifying business activity”**

- (1) In this Part “qualifying business activity”, in relation to the issuing company, means—
- (a) activity A, or
  - (b) activity B,
- if it is carried on by the company or a qualifying 90% subsidiary of the company.

This is subject to subsection (3).

- (2) Activity A is—
- (a) the carrying on of a new qualifying trade which, on the date the relevant shares are issued, the company or a qualifying 90% subsidiary of the company is carrying on, or
  - (b) the activity of preparing to carry on (or preparing to carry on and then carrying on) a new qualifying trade—
    - (i) which, on that date, is intended to be carried on by the company or such a subsidiary, and
    - (ii) which is begun to be carried on by the company or such a subsidiary.
- (3) Activity B is the carrying on of research and development—

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

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- (a) which, on the date the relevant shares are issued, the company or a qualifying 90% subsidiary of the company is carrying on, or which the company or such a subsidiary begins to carry on immediately afterwards, and
  - (b) from which, on that date, it is intended—
    - (i) that a new qualifying trade which the company or such a subsidiary will carry on will be derived, or
    - (ii) that a new qualifying trade which the company or such a subsidiary is carrying on, or will carry on, will benefit.
- (4) For the purposes of subsection (3)(a), when research and development is begun to be carried on by a qualifying 90% subsidiary of the issuing company, any carrying on of the research and development by it before it became such a subsidiary is ignored.
- (5) References in subsection (2)(b)(i) or (3)(b) to a qualifying 90% subsidiary of the issuing company include references to any existing or future company which will be such a subsidiary at any future time.]

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**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 257HG.