

## SCHEDULES

### SCHEDULE 2

#### TRANSITIONALS AND SAVINGS ETC

#### PART 5

#### LOSSES ON DISPOSAL OF SHARES

##### *The control and independence requirement*

- 31 (1) In relation to shares issued before 6 April 2007, section 81(1)(a) applies with the omission of “of the company”.
- (2) In relation to shares issued before 21 March 2000, section 81 applies with the following modifications—
- (a) the substitution for subsections (1) to (3) of—
- “(1) The control element of the requirement is that—
- (a) the company must not control (or together with any person connected with it control) another company or have a 51% subsidiary, and
- (b) no arrangements must be in existence by virtue of which the company could fail to meet paragraph (a).
- (2) The independence element of the requirement is that—
- (a) the company must not be under the control of another company (or another company and any other person connected with that company) or be a 51% subsidiary of another company, and
- (b) no arrangements must be in existence by virtue of which the company could fail to meet paragraph (a).
- (3) This section is subject to section 87(3); and nothing in subsection (1) prevents the company having one or more qualifying subsidiaries.”,
- and
- (b) in subsection (4) the omission of the definition of “arrangements” and, in the definition of “control”, the omission of “, in subsection (1)(a),” and the words “(but see section 1124 for the meaning of “control” in subsection (2) (a)(ii))”.
- (3) Section 81 does not apply in relation to shares issued before 6 April 1998.