



Finance (No. 2) Act 2017

2017 CHAPTER 32

PART 1

DIRECT TAXES

Income tax: investments

13 VCTs: exchange of non-qualifying shares and securities

(1) Section 330 of ITA 2007 (power to facilitate company reorganisations etc involving exchange of shares) is amended as follows.

(2) After subsection (1) insert—

“(1A) The Treasury may by regulations make provision for the purposes of this Part for cases where—

- (a) a holding of shares or securities that does not meet the requirements of Chapter 4 is exchanged for other shares or securities not meeting those requirements, and
- (b) the exchange is made for genuine commercial reasons and does not form part of a scheme or arrangement the main purpose or one of the main purposes of which is the avoidance of tax.”

(3) In subsection (2), for “subsection (1)” substitute “ subsections (1) and (1A) ”.

(4) In subsection (3), for “The regulations” substitute “ Regulations under subsection (1) ”.

(5) After subsection (3) insert—

“(3A) Regulations under subsection (1A) may, among other things, make provision—

- (a) for the new shares or securities to be treated in any respect in the same way as the original shares and securities for any period;
- (b) as to when the new shares or securities are to be regarded as having been acquired;

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- (c) as to the valuation of the original or the new shares or securities.”
- (6) In subsection (4), for “The regulations” substitute “ Regulations under this section ”.
- (7) In subsection (6). in paragraph (c), at the beginning insert “ in the case of regulations under subsection (1) ”.

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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):

- Sch. A1 para. 8(6)(b) omitted by [2022 c. 3 Sch. 1 para. 32\(b\)](#)
- Sch. A1 para. 8(2) substituted by [2022 c. 3 Sch. 1 para. 32\(a\)](#)