

## SCHEDULES

### SCHEDULE 16

#### ENTREPRENEURS’ RELIEF

*Periods throughout which conditions for relief must be met*

- 1 (1) Chapter 3 of Part 5 of TCGA 1992 (transfer of business assets: entrepreneurs’ relief) is amended as follows.
  - (2) In section 169I (material disposal of business assets)—
    - (a) in subsections (3), (6) and (7A)(b) and (c), for “1 year” substitute “2 years”,
    - (b) in subsection (4)(a), for “1 year” substitute “2 years”,
    - (c) in subsections (7) and (7B)(b) and (c), for “1 year” substitute “2 years”, and
    - (d) after subsection (7) insert—

“(7ZA) If, in any case where an individual disposes of any shares in a company—

      - (a) there has been an issue of shares in the company to the individual following a relevant business transfer, and
      - (b) any of the issued shares constitute, or otherwise form part of, the shares disposed of,

the conditions in subsection (6)(a) and (b) are to be treated as met in any period ending immediately before the transfer throughout which the individual owned the business.

(7ZB) For the purposes of subsection (7ZA), shares have been issued “following a relevant business transfer” if they have been issued wholly or partly in exchange for the transfer of a business as a going concern, together with the whole assets of the business or the whole of those assets other than cash.”
  - (3) In section 169J (disposal of trust business assets)—
    - (a) in subsection (4), for “1 year” substitute “2 years”, and
    - (b) in subsection (5)(a), for “1 year” substitute “2 years”.
  - (4) In section 169K(4) (disposal associated with relevant material disposal), for “1 year” substitute “2 years”.
  - (5) In section 169O(6) (amount of relief: special provisions for certain trust disposals), for “1 year” substitute “2 years”.
  - (6) In Schedule 7ZA (“trading company” and “trading group”), in paragraph 25 (meaning of “relevant period”)—
    - (a) in sub-paragraph (a), for “1 year” substitute “2 years”, and
    - (b) in sub-paragraphs (b) and (c), for “1 year” substitute “2 years”.