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SCHEDULES

SCHEDULE 14

VENTURE CAPITAL TRUSTS: MEANING OF “QUALIFYING HOLDINGS”

Requirements as to the money raised by the investment in question

- 6 (1) The requirements of this paragraph are that the money raised by the issue of the relevant holding must—
- (a) have been employed wholly for the purposes of the trade by reference to which the requirements of paragraph 3(3) above are satisfied; or
 - (b) be money which the relevant company or a qualifying subsidiary of that company is intending to employ wholly for the purposes of that trade.
- (2) The requirements of sub-paragraph (1) above shall not be capable of being satisfied by virtue of paragraph (b) of that sub-paragraph at any time after twelve months have expired from whichever is applicable of the following, that is to say—
- (a) in a case where the requirements of sub-paragraph (3) of paragraph 3 above were satisfied in relation to the time when the relevant holding was issued by virtue of paragraph (a) of that sub-paragraph, that time; and
 - (b) in a case where they were satisfied in relation to that time by virtue of paragraph (b) of that sub-paragraph, the time when the relevant company or, as the case may be, the subsidiary in question began to carry on the intended trade.
- (3) For the purposes of this paragraph money shall not be treated as employed otherwise than wholly for the purposes of a trade if the only amount employed for other purposes is an amount which is not a significant amount; and nothing in paragraph 1(3) above shall require any money whose use is disregarded by virtue of this sub-paragraph to be treated as raised by a different holding.
- (4) References in this paragraph to employing money for the purposes of a trade shall include references to employing it for the purpose of preparing for the carrying on of the trade.