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SCHEDULES

SCHEDULE 18

ENTERPRISE INVESTMENT SCHEME

PART 2

DEFERRAL RELIEF

- 12 Schedule 5B to the Taxation of Chargeable Gains Act 1992 (c. 12) (enterprise investment scheme: re-investment) is amended as follows.
- 13 (1) In paragraph 1(2) (definition of qualifying investment)—
- (a) in paragraph (a), omit “wholly in cash”,
 - (b) after that paragraph insert—
 - “(aza) he subscribed for the shares (other than any of them which are bonus shares) wholly in cash,”,
 - (c) in paragraph (c), for the words from “are fully” to “future date” substitute “(other than any of them which are bonus shares) are fully paid up”,
 - (d) in paragraph (e), after “Act” insert “(read with section 289(1B) to (1E) of that Act)”,
 - (e) in paragraph (f), for “all the shares comprised in the issue” substitute “the shares (other than any of them which are bonus shares)”,
 - ^{F1}(f)
- (2) After paragraph 1(4) of that paragraph insert—
- “(5) Shares are not fully paid up for the purposes of sub-paragraph (2)(c) above if there is any undertaking to pay cash to any person at a future date in respect of the acquisition of the shares.”.

Textual Amendments

- F1** Sch. 18 para. 13(1)(f) omitted (with effect in accordance with Sch. 8 para. 11 of the amending Act) by virtue of Finance Act 2009 (c. 10), Sch. 8 para. 10(b)

- 14 In paragraph 1A (failure of conditions of application)—
- (a) in sub-paragraph (1), after “the shares” insert “mentioned in sub-paragraph (2)(a) of that paragraph”,
 - (b) in sub-paragraph (2), after “the shares” insert “mentioned in sub-paragraph (2)(a) of that paragraph”,
 - (c) in sub-paragraph (3), for “an issue of eligible shares,” substitute “the shares mentioned in sub-paragraph (2)(a) of that paragraph,”,

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- (d) in sub-paragraph (4), for “an issue of eligible shares, the shares” substitute “ the issue of eligible shares, the shares mentioned in sub-paragraph (2)(a) of that paragraph ”,
 - (e) in sub-paragraph (5)(b), after “the shares” insert “ mentioned in paragraph 1(2)(a) above ”.
- 15 (1) In paragraph 10 (re-investment in same company, etc)—
- (a) in sub-paragraph (1), for “other securities” substitute “ securities ”,
 - (b) after sub-paragraph (3) insert—
 - “(4) In this paragraph “group of companies” means a company which has one or more 51 per cent. subsidiaries, together with those subsidiaries.”.
- (2) The amendments made by this paragraph have effect, for the purposes of paragraph 10 (1) of Schedule 5B to the Taxation of Chargeable Gains Act 1992 (c. 12), in relation to holdings of shares or securities disposed of on or after 17th March 2004.
- (3) The amendment made by sub-paragraph (1)(b) has effect, for the purposes of paragraph 10(2) of that Schedule, in relation to eligible shares in a relevant company issued on or after 17th March 2004.
- 16 (1) In paragraph 13 (value received by investor) in sub-paragraph (2)(b)(i), for “on which he subscribed for the shares” substitute “ of issue of the shares ”.
- (2) Subject to sub-paragraph (3), the amendment made by this paragraph has effect in relation to shares issued on or after 17th March 2004.
- (3) The amendment made by this paragraph does not have effect in relation to the repayment of a debt incurred before 17th March 2004 if—
- (a) the shares were subscribed for before that date, and
 - (b) the debt was incurred on or after the date on which the shares were subscribed for.
- 17 (1) In paragraph 14 (value received by other persons) in sub-paragraph (7), for “paragraph 14AA” substitute “ paragraphs 14AA and 14A ”.
- (2) The amendment made by this paragraph has effect in relation to any repayment (within the meaning of paragraph 14A of Schedule 5B to the Taxation of Chargeable Gains Act 1992 (c. 12)) made on or after 17th March 2004.
- 18 (1) In paragraph 14A (certain receipts to be disregarded for the purposes of paragraph 14) in sub-paragraph (6), omit paragraph (a).
- (2) The amendment made by this paragraph has effect in relation to any repayment (within the meaning of paragraph 14A of Schedule 5B to the Taxation of Chargeable Gains Act 1992) made on or after 17th March 2004.
- 19 (1) In paragraph 16 (information)—
- (a) in sub-paragraph (6), for “293(8) or 308(2)(e)” substitute “ 289(1D) or (9) (e), 289A(8)(b) or (8A), 293(4B), (6) or (8) or 308(2)(e), (3), (3A) or (4) ”,
 - (b) in sub-paragraph (7)—
 - (i) in paragraph (a), after “above” insert “ or section 293(4B) or (6) of the Taxes Act ”,
 - (ii) after paragraph (a) insert—

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- “(aa) in relation to section 289(1D), 289A(8)(b) or (8A) or 308(3), (3A) or (4) of the Taxes Act, the claimant, the company, any other company in question and any person controlling the company or any other company in question;”,
 - (iii) in paragraph (c), after “section” insert “ 289(9)(e), ”,
 - (iv) in the full-out words at the end, for “(a)” substitute “ (a), (aa) ”,
 - (c) after sub-paragraph (7) insert—
 - “(7A) The references in sub-paragraphs (6) and (7) above to subsections (3), (3A) and (4) of section 308 of the Taxes Act are to be read as including those provisions as applied by section 289(10) and (11) of that Act.”.
 - (2) The amendments made by this paragraph have effect in relation to any notice given after the passing of this Act in respect of shares issued on or after 17th March 2004.
- 20 (1) In paragraph 19 (1) (interpretation)—
 - (a) before the definition of “arrangements” insert—
 - ““51 per cent. subsidiary” has the meaning given by section 838 of the Taxes Act;”,
 - (b) after the definition of “associate” insert—
 - ““bonus shares” means shares which are issued otherwise than for payment (whether in cash or otherwise);”.
- (2) The amendment made by sub-paragraph (1)(a) has effect in relation to shares issued on or after 17th March 2004, except that, for the purposes of the amendment made by sub-paragraph (1)(b) of paragraph 15 of this Schedule, it has effect in accordance with sub-paragraphs (2) and (3) of that paragraph.

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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):

- s. 236ZA inserted by [S.I. 2024/357 art. 2\(2\)](#)