

**Changes to legislation:** Finance Act 2007, Cross Heading: Enterprise investment scheme is up to date with all changes known to be in force on or before 14 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

## SCHEDULES

### SCHEDULE 16

#### VENTURE CAPITAL SCHEMES ETC

##### PART 1

##### LIMIT ON NUMBER OF EMPLOYEES OF COMPANY IN WHICH INVESTMENT IS MADE

###### *Enterprise investment scheme*

- 2 (1) Chapter 4 of Part 5 of ITA 2007 (the issuing company) is amended as follows.
- (2) In section 180 (overview of Chapter 4), after paragraph (e) insert—  
“(ea) number of employees (see section 186A),”.
- (3) After section 186 insert—

###### **“186A The number of employees requirement**

- (1) If the issuing company is a single company, the full-time equivalent employee number for it must be less than 50 when the relevant shares are issued.
- (2) If the issuing company is a parent company, the sum of—  
(a) the full-time equivalent employee number for it, and  
(b) the full-time equivalent employee numbers for each of its qualifying subsidiaries,  
must be less than 50 when the relevant shares are issued.

- (3) The full-time equivalent employee number for a company is calculated as follows—

###### *Step 1*

Find the number of full-time employees of the company.

###### *Step 2*

Add, for each employee of the company who is not a full-time employee, such fraction as is just and reasonable.

The result is the full-time equivalent employee number.

- (4) In this section references to an employee—  
(a) include a director, but  
(b) do not include—  
(i) an employee on maternity or paternity leave, or

---

**Changes to legislation:** *Finance Act 2007, Cross Heading: Enterprise investment scheme is up to date with all changes known to be in force on or before 14 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

---

(ii) a student on vocational training.”

- (4) The amendments made by this paragraph do not have effect in relation to—
- (a) shares issued before the day on which this Act is passed, or
  - (b) shares issued to the managers of an approved fund which closed before that day.
- (5) For the purposes of sub-paragraph (4)(b)—
- (a) “the managers of an approved fund” has the same meaning as in section 251 of ITA 2007, and
  - (b) the reference to shares issued to the managers of an approved fund is to shares issued to those managers as nominee for an individual who has invested in the fund.

**Changes to legislation:**

Finance Act 2007, Cross Heading: Enterprise investment scheme is up to date with all changes known to be in force on or before 14 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.

[View outstanding changes](#)

**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. 993 modified by [2016 c. 24 s. 118\(2\)](#)
- Sch. 24 para. 12(5)(za) inserted by [2015 c. 11 Sch. 20 para. 6\(a\)](#)
- Sch. 24 para. 21A(A1) inserted by [2015 c. 11 Sch. 20 para. 7\(2\)](#)
- Sch. 24 para. 4A(A1)(1) substituted for Sch. 24 para. 4A(1) by [2015 c. 11 Sch. 20 para. 3\(2\)](#)