



Income Tax Act 2007

2007 CHAPTER 3

PART 5

ENTERPRISE INVESTMENT SCHEME

CHAPTER 6

WITHDRAWAL OR REDUCTION OF EIS RELIEF

Value received by investor

213 Value received by the investor

- (1) This section applies if the investor receives any value from the issuing company at any time in period C relating to the relevant shares.
- (2) Any EIS relief attributable to the shares must—
 - (a) if it is greater than the amount given by the formula set out below, be reduced by that amount, and
 - (b) in any other case, be withdrawn.

The formula is—^{F1}

$$R \times \text{EISR}$$

where—

R is the amount of the value received by the investor, and
[^{F2}EISR is the [^{F3}EIS original rate].]

- (3) This section is subject to the following sections—
 - (a) section 214 (value received: receipts of insignificant value),
 - (b) section 218 (value received where there is more than one issue of shares),

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- (c) section 219 (value received where part of share issue treated as made in previous tax year),
- (d) section 220 (cases where maximum EIS relief not obtained),
- (e) section 221 (receipts of value by and from connected persons etc), and
- (f) section 222 (receipt of replacement value).

Sections 218 to 220 are to be applied in the order in which they appear in this Part.

- (4) Value received is to be ignored, for the purposes of this section, to the extent to which EIS relief attributable to the shares has already been withdrawn or reduced on its account.
- (5) For the purposes of this section and sections 214 to 223, an individual who acquires any relevant shares on such a transfer as is mentioned in section 245 (spouses or civil partners) is treated as the investor.

Textual Amendments

- F1** Formula in s. 213(2) amended (21.7.2008 with effect in accordance with Sch. 1 para. 65 of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 1 para. 16\(a\)](#)
- F2** Words in s. 213(2) substituted (21.7.2008 with effect in accordance with Sch. 1 para. 65 of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 1 para. 16\(b\)](#)
- F3** Words in s. 213(2) substituted (13.10.2011) (with effect in accordance with s. 42(7)(8) of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [s. 42\(3\)\(c\)\(6\)](#); S.I. 2011/2459, [art. 2](#)

Modifications etc. (not altering text)

- C1** [S. 213](#) excluded (20.5.2020) by [Finance Act 2020 \(c. 14\)](#), [s. 110\(1\)\(2\)](#)

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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. 24B inserted by [2023 c. 30 Sch. 2 para. 10\(3\)](#)
- s. 788(7) inserted by [2007 c. 29 Sch. 21 para. 161\(b\)](#) (The amending provision was repealed before coming into force.)