



Finance Act 2008

2008 CHAPTER 9

PART 2

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX_GENERAL

Venture capital schemes etc

33 Enterprise management incentives: qualifying companies

- (1) Part 3 of Schedule 5 to ITEPA 2003 (enterprise management incentives: qualifying companies) is amended as follows.
- (2) In paragraph 8 (qualifying companies: introduction), omit the “and” at the end of the entry relating to paragraph 12, and after that entry insert— “ number of employees (see paragraph 12A), and ”.
- (3) After paragraph 12 insert—

12A “The number of employees requirement

- (1) The number of employees requirement in the case of a single company is that the full-time equivalent employee number for it is less than 250.
- (2) The number of employees requirement in the case of a parent company is that 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,is less than 250.
- (3) The full-time equivalent employee number for a company is calculated as follows—

Step 1

Changes to legislation: Finance Act 2008, Section 33 is up to date with all changes known to be in force on or before 22 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

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 paragraph references to an employee—
- (a) include a director, but
 - (b) do not include—
 - (i) an employee on maternity or paternity leave, or
 - (ii) a student on vocational training.”

- (4) In paragraph 16 (excluded activities), after paragraph (i) insert—
- “(ia) shipbuilding (see also paragraph 20A);
 - (ib) producing coal (see also paragraph 20B);
 - (ic) producing steel (see also paragraph 20C);”.

- (5) After paragraph 20 insert—

20A “Excluded activities: shipbuilding

In paragraph 16(ia) “shipbuilding” has the same meaning as in the Framework on state aid to shipbuilding (2003/C 317/06), published in the Official Journal on 30 December 2003.

20B Excluded activities: producing coal

- (1) This paragraph supplements paragraph 16(ib).
- (2) “Coal” has the meaning given by Article 2 of Council Regulation (EC) No. [1407/2002](#) (state aid to coal industry).
- (3) The production of coal includes the extraction of it.

20C Excluded activities: producing steel

In paragraph 16(ic) “steel” means any of the steel products listed in Annex 1 to the Guidelines on national regional aid (2006/C 54/08), published in the Official Journal on 4 March 2006.”

- (6) The amendments made by this section have effect in relation to options granted on or after the day on which this Act is passed.

Changes to legislation:

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Blanket amendment words substituted by [S.I. 2011/1043 art. 34](#)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Sch. 41 para. 6(1A) inserted by [2015 c. 11 Sch. 20 para. 10\(2\)](#)
- Sch. 41 para. 6A(A1)(1) substituted for Sch. 41 para. 6A(1) by [2015 c. 11 Sch. 20 para. 11\(2\)](#)