

SCHEDULES

SCHEDULE 6

SEED ENTERPRISE INVESTMENT SCHEME

PART 3

CONSEQUENTIAL AMENDMENTS

ITA 2007

- 6 ITA 2007 is amended as follows.
- 7 In section 2 (overview of Act), after subsection (5) insert—
- “(5A) Part 5A is about relief under the seed enterprise investment scheme.”
- 8 In section 26 (tax reductions), in subsection (1)(a), after the entry for Chapter 1 of Part 5, insert—
- “Chapter 1 of Part 5A (SEIS relief),”.
- 9 In section 27 (order of deducting tax reductions: individual), in subsection (5), after the entry for “Chapter 1 of Part 5 (EIS relief)” insert—
- “Chapter 1 of Part 5A (SEIS relief),”.
- 10 In section 169 (directors qualifying for relief despite connection), in subsection (4), for the words after “before” substitute “—
- (a) the termination date relating to the latest issue of shares which met that condition, or
- (b) if that issue is an issue in respect of which the investor is eligible for SEIS relief (within the meaning of Part 5A), before the date specified in section 257AC(4) in relation to the shares.”
- 11 In section 172 (overview of Chapter 3), after paragraph (aa) insert—
- “(ab) the spending of money raised by SEIS investments (see section 173B),”.
- 12 In section 173A (enterprise investment scheme: maximum amount raised annually through risk capital schemes requirement), in subsection (3)(b), after subparagraph (i) (and the “or” at the end of it) insert—
- “(ia) a compliance statement under section 257ED (seed enterprise investment scheme).”
- 13 After that section insert—

“173B The spending of money raised by SEIS investment requirement

- (1) The requirement of this section is that, if an SEIS investment has been made in the issuing company, at least 70% of the money raised by the investment

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has been spent as mentioned in section 257CC (seed enterprise investment scheme: spending of the money raised requirement) before the relevant shares are issued.

(2) An “SEIS investment” is made in a company if the company issues shares (money having been subscribed for them), and (at any time) the company provides a compliance statement under section 257ED (seed enterprise investment scheme).”

- 14 (1) Section 246 (identification of shares on a disposal) is amended as follows.
- (2) In subsection (3)—
- (a) in paragraph (a) for “neither EIS relief nor deferral relief” substitute “no EIS relief, deferral relief or SEIS relief”, and
- (b) after that paragraph insert—
- “(aa) next any to which SEIS relief is attributable.”
- (3) In subsection (7), at the end insert—
- ““SEIS relief” means relief under Part 5A (seed enterprise investment scheme).”
- 15 In section 286 (qualifying holdings: introduction), in subsection (3), after paragraph (ea) insert—
- “(eb) the spending of money raised by SEIS investment (see section 292B).”
- 16 In section 292A (venture capital trusts: maximum amount raised annually through risk capital schemes requirement), in subsection (3)(b), after sub-paragraph (i) (and the “or” at the end of it) insert—
- “(ia) a compliance statement under section 257ED (seed enterprise investment scheme).”
- 17 After that section insert—

“292B The spending of money raised by SEIS investment requirement

(1) The requirement of this section is that, if an SEIS investment has been made in the relevant company, at least 70% of the money raised by the investment has been spent as mentioned in section 257CC (seed enterprise investment scheme: the spending of the money raised requirement) before the issue of the relevant holding.

(2) An “SEIS investment” is made in a company if the company issues shares (money having been subscribed for them), and (at any time) the company provides a compliance statement under section 257ED (seed enterprise investment scheme).”

- 18 (1) Schedule 4 (index of defined expressions) is amended as follows.
- (2) Insert the following entries at the appropriate places—

“arrangements (in Part 5A)	section 257HJ(1)”
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“associate (in Part 5A)	section 257HJ(1)”
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“bonus shares (in Part 5A)	section 257HJ(1)”
“compliance certificate (in Part 5A)	section 257EC(1)”
“compliance statement (in Part 5A)	section 257ED(1)”
“director (in Part 5A)	section 257HJ(1)”
“disposal of shares (in Part 5A)	section 257HH”
“EIS relief (in Part 5A)	section 257HJ(1)”
“group (in Part 5A)	section 257HJ(1)”
“group company (in Part 5A)	section 257HJ(1)”
“issue of shares (in Part 5A)	section 257HI”
“market value (in Part 5A)	section 257HJ(6)”
“new qualifying trade (in Part 5A)	section 257HF”
“ordinary shares (in Part 5A)	section 257HJ(1)”
“parent company (in Part 5A)	section 257HJ(1)”
“period A, period B (in Part 5A)	section 257AC”
“permanent establishment (in Part 5A)	section 257HJ(1)”
“qualifying business activity (in Part 5A)	section 257HG”
“qualifying subsidiary (in Part 5A)	section 257HJ(1)”
“qualifying 90% subsidiary (in Part 5A)	section 257HJ(1)”
“research and development (in Part 5A)	section 257HJ(1)”
“SEIS (in Part 5A)	section 257A(2)”
“single company (in Part 5A)	section 257HJ(1)”

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- (3) In the entry for “control”, in the second column, after “257(3),” insert “257HJ(3),”.

TCGA 1992

- 19 TCGA 1992 is amended as follows.
- 20 (1) Section 150A (enterprise investment scheme) is amended as follows.
- (2) For “relief”, in each place it occurs (except subsections (6)(c) and (10)), substitute “EIS relief”.
- (3) In subsection (6)—
- omit the “and” at the end of paragraph (b) and after that paragraph insert—
“(ba) shares to which SEIS relief is attributable; and”,
 - in paragraph (c), for “relief is not” substitute “neither EIS nor SEIS relief is”, and
 - after “paragraph (a), (b)” insert “, (ba)”.
- (4) In subsection (10), for “the relief” substitute “EIS relief”.
- (5) In subsection (10A), at the appropriate place, insert—
““EIS relief” means relief under Chapter 3 of Part 7 of the Taxes Act or Part 5 of ITA 2007;”, and
““SEIS relief” means relief under Part 5A of ITA 2007.”
- 21 (1) Section 150B (enterprise investment scheme: reduction of relief) is amended as follows.
- (2) For “relief”, in each place it occurs, substitute “EIS relief”.
- (3) After subsection (5) insert—
“(5A) In this section “EIS relief” means relief under Chapter 3 of Part 7 of the Taxes Act or Part 5 of ITA 2007.”
- 22 In Schedule 5B (enterprise investment scheme: re-investment), in paragraph 2 (postponement of original gain)—
- in sub-paragraph (3)(b), after “Schedule” insert “or paragraph 1(5) of Schedule 5BB”, and
 - in sub-paragraph (4), after “this Schedule” insert “or paragraph 1(5) of Schedule 5BB”.

TMA 1970

- 23 In section 98 of TMA 1970 (special returns, etc)—
- in the first column of the Table, after the entry for “sections 242 and 243(1) and (2) of ITA 2007” insert—

“sections [257GG](#) and [257GH](#)(1) and (2) of ITA 2007;”, and

 - in the second column of that Table, after the entry for “sections 240 and 241 of ITA 2007” insert—

“sections [257GE](#) and [257GF](#) of ITA 2007;”.
