STATUTORY INSTRUMENTS

2016 No. 1192

INCOME TAX

The Venture Capital Trust (Amendment) Regulations 2016

Made - - - -	*7th December 2016*
Laid before the House of Commons - - - -	*8th December 2016*
Coming into force - -	*29th December 2016*

The Treasury make the following Regulations in exercise of the powers conferred by sections 272 and 284(1)(d) of the Income Tax Act 2007(**1**).

Citation, commencement and effect

1.—(1) These Regulations may be cited as the Venture Capital Trust (Amendment) Regulations 2016 and come into force on 29th December 2016.

(2) These Regulations have effect for each specified period ending on or after 31st December 2016.

(3) For the purposes of this regulation, "specified period" has the meaning given in regulation 22(2) of the Venture Capital Trust Regulations 1995(**2**).

Amendments to the Venture Capital Trust Regulations 1995

2. The Venture Capital Trust Regulations 1995 are amended as follows.

Regulation 22 (return containing particulars of investments)

3.—(1) Regulation 22 is amended as follows.

(2) In paragraph (1), after "paragraph (4)" insert "and regulation 22A".

(3) In paragraph (3), for "shorter" substitute "earlier".

(4) In paragraph (4)—

(a) at the end of sub-paragraphs (d)(ii) and (e)(iii), omit "and", and

(b) after sub-paragraph (e)(iv) insert—

(**1**) 2007 c. 3. Section 284(1)(d) was amended by paragraph 21(1)(c) of Schedule 16 to the Finance Act 2007 (c. 11) and paragraph 5(2) of Schedule 10 to the Finance Act 2014 (c. 26).

(**2**) S.I. 1995/1979; relevant amending instruments are S.I. 1999/819 and 2008/1893.

", and

(v) the value at which the investment was disposed of;

(f) in respect of each fund manager of the company during the specified period—

(i) the name and address of its registered or principal office, and

(ii) its Financial Services Register reference number;

(g) where a new investment was made during the specified period—

(i) immediately before the relevant holding was issued, the value of the relevant company's gross assets, or if it was a parent company(**3**), the value of the group assets(**4**),

(ii) the total investment in the relevant company at the investment date (within the meaning given by section 280B(3A))(**5**), less the value of the new investment,

(iii) a description of each qualifying activity(**6**), whether carried on by the relevant company(**7**) or one of the companies mentioned in section 291(7) and (8), for the purposes of which, at the time the relevant holding(**8**) was issued, the money raised was intended to be used,

(iv) when the relevant holding was issued, the relevant company's full-time equivalent employee number(**9**), or if it was a parent company, the sum of the full-time equivalent employee number for it and each of its qualifying subsidiaries(**10**), and

(v) whether or not the relevant company received a non-statutory opinion from Her Majesty's Revenue and Customs on the eligibility of that investment as a qualifying holding, and if it did—

(aa) whether that opinion indicated that the investment would or would not be likely to be eligible as such, and

(bb) the date of that opinion;

(h) where a new investment was made during the specified period, but after the end of the initial investing period(**11**) of the relevant company—

(i) under which of conditions A, B or C of section 280C(**12**) the investment was made, and

(ii) the date of the relevant first commercial sale(**13**) made by the relevant company; and

(**3**) The meaning of "parent company" is given by section 332.
(**4**) The meaning of "the value of the group assets" is given by section 297(3).
(**5**) Section 280B(3A) was inserted by paragraph 4 of Schedule 6 to the Finance (No. 2) Act 2015.
(**6**) The meaning of "qualifying activity" is given by section 291.
(**7**) The meaning of "the relevant company" is given by section 286(1).
(**8**) The meaning of "relevant holding" is given by section 286(1).
(**9**) See sections 297A(3) and (4) for how to calculate the full-time equivalent employee number. Sections 297A(3) and (4) were inserted by paragraph 3 of Schedule 16 to the Finance Act 2007. Section 297A(4) was amended by paragraph 72 of Schedule 7 to the Children and Families Act 2014 (c. 6).
(**10**) The meaning of "qualifying subsidiary" is given by section 302.
(**11**) The meaning of "initial investing period" is given by section 294A(2). Section 294A was inserted by paragraph 11 of Schedule 6 to the Finance (No. 2) Act 2015 (c. 33).
(**12**) Section 280C was inserted by paragraph 5 of Schedule 6 to the Finance (No. 2) Act 2015.
(**13**) The meaning of "relevant first commercial sale" is given by section 280C(7).