STATUTORY INSTRUMENTS

1999 No. 819

INCOME TAX

The Venture Capital Trust (Amendment) Regulations 1999

Made - - - -	*16th March 1999*
Laid before the House of Commons	*16th March 1999*
Coming into force	*6th April 1999*

The Treasury, in exercise of the powers conferred on them by section 73(1) and (2) of the Finance Act 1995**(a)**, hereby make the following Regulations:

Citation, commencement and effect

1.—(1) These Regulations may be cited as the Venture Capital Trust (Amendment) Regulations 1999 and shall come into force on 6th April 1999.

(2) These Regulations have effect with respect to any distribution made by a venture capital trust on or after 6th April 1999.

Interpretation

2. In these Regulations–

"the principal Regulations" means the Venture Capital Trust Regulations 1995**(b)**;

"regulation" means a regulation of the principal Regulations;

"venture capital trust" has the meaning given by section 842AA of the Income and Corporation Taxes Act 1988**(c)**.

Amendments to the principal Regulations

3. In regulation 2(1) the definitions of "enduring declaration" and "permitted maximum" shall be omitted.

4. Chapter II of Part III of the principal Regulations, comprising regulations 10 to 21, shall be omitted.

5. In Part IV of the principal Regulations, immediately before regulation 22, there shall be inserted the following regulation–

"**Return containing particulars of amounts subscribed for eligible shares**

21A.—(1) A company which at any time in the period specified in paragraph (2) below ("the specified period") is a trust company, shall deliver to the Board, in respect of the specified period and within the time limit specified in paragraph (3) below, a return containing, in respect of each amount subscribed by any investor for eligible shares in the specified period, the particulars specified in paragraph (4) below.

(a) 1995 c. 4.
(b) S.I. 1995/1979.
(c) 1988 c. 1. Section 842AA was inserted by section 70(1) of the Finance Act 1995 and amended by paragraph 7(2)(c) of Schedule 38 to the Finance Act 1996 (c. 8), section 75(1) and (2) of the Finance Act 1997 (c. 16), and section 73(1)(a) of, and Part III(13) of Schedule 27 to, the Finance Act 1998 (c. 36).

(2) The specified period is–

(a) a year, or

(b) a period beginning on the 6th April and ending on the day on which that company ceased to be approved as a trust company,

whichever is the shorter.

(3) The time limit specified is–

(a) six months after the end of the year, or

(b) six months after the day on which the company ceased to be approved as a trust company,

whichever is the earlier.

(4) The particulars specified are–

(a) the full name of the investor,

(b) his permanent residential address, including postcode,

(c) his date of birth,

(d) if he has one, his national insurance number,

(e) the amount paid in respect of eligible shares subscribed for in that period, and

(f) the date on which that amount was paid.

(5) A return under this regulation shall be in such form as the Board may prescribe or authorise."

6. In regulation 22(4)–

(a) the word "and" immediately following sub-paragraph (c) shall be omitted;

(b) after sub-paragraph (d) there shall be added "and

(e) in respect of each disposal of an investment by the company during the specified period–

(i) the name of the company in which the investment was held,

(ii) the address of that company's registered or principal office,

(iii) the date of the disposal, and

(iv) the value, immediately after the disposal, computed in accordance with subsections (5) and (11) of section 842AA, of the remainder of any holding of investments from which the disposal was made."

Jim Dowd
Bob Ainsworth

16th March 1999 Two of the Lords Commissioners of Her Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Venture Capital Trust Regulations 1995 (S.I. 1995/1979) ("the principal Regulations") so as to withdraw payable tax credits from investors in venture capital trusts with effect from 6th April 1999. The amendments reflect the amendments made to section 231 of the Income and Corporation Taxes Act 1988 (c. 1) by section 30 of the Finance (No. 2) Act 1997 (c. 58) as a result of which entitlement to tax credits on qualifying distributions made on or after 6th April 1999 is limited to individuals chargeable to tax on those distributions.

Regulation 1 provides for citation, commencement and effect, and regulation 2 for interpretation.

Regulations 3 and 4 repeal Chapter II of Part III of the principal Regulations (comprising regulations 10 to 21) and certain definitions in regulation 2(1) of the principal Regulations which relate only to that Chapter.

Regulation 5 inserts a new regulation 21A in Part IV of the principal Regulations requiring a venture capital trust to make periodic returns of amounts subscribed by investors for shares in that trust.

Regulation 6 amends regulation 22(4) of the principal Regulations so as to provide for additional particulars to be included in the return containing particulars of investments.

S T A T U T O R Y I N S T R U M E N T S

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The Venture Capital Trust (Amendment) Regulations 1999

£1.50

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WO 4505 4/99 ON (MFK)