



Income Tax Act 2007

2007 CHAPTER 3

[^{F1}PART 5B

TAX RELIEF FOR SOCIAL INVESTMENTS

CHAPTER 4

ELIGIBILITY: CONDITIONS RELATING TO THE SOCIAL ENTERPRISE

[^{F2}Limits on amounts that may be invested

[^{F1}] [^{F2}257MNC] **Maximum amount for cases outside section 257MNA**

- (1) This section applies where—
- the investment is made at any time after the period mentioned in section 257MNA(1)(a), and
 - it is not the case that the conditions in section 257MNA(1)(b)(i) and (ii) are met.
- (2) Where this section applies—
- the total amount of relevant investments made in the social enterprise on or before the date when the investment is made must not exceed £1.5 million, and
 - the amount invested must not be more than the amount mentioned in subsection (3).
- (3) That amount is the amount given by the formula—

$$([\text{euro}] 200,000 - M \text{ RCG} + \text{RSI}) - T$$

where—

T is the total of any relevant investments made in the social enterprise in the aid period,

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M is the total of any de minimis aid, other than relevant investments, that is granted during the aid period—

- (a) to the social enterprise, or
- (b) to a qualifying subsidiary of the social enterprise at a time when it is such a subsidiary,

RCG is the highest rate at which capital gains tax is charged in the aid period, and

RSI is the highest SI rate in the aid period.

- (4) In subsection (3) “the aid period” means the 3 years—
 - (a) ending with the day on which the investment is made, but
 - (b) in the case of that day, including only the part of the day before the investment is made.
- (5) In this section “de minimis aid” means de minimis aid which fulfils the conditions laid down [^{F3}in [Commission Regulation \(EU\) No 1407/2013](#) (de minimis aid) as it had effect in the United Kingdom immediately before IP completion day].
 - ^{F4}(a)
 - ^{F4}(b)
- (6) For the purposes of subsection (3), the amount of any de minimis aid is the amount of the grant or, if the aid is not in the form of a grant, the gross grant equivalent amount within the meaning of that Regulation [^{F5}as it had effect in the United Kingdom immediately before IP completion day].
- (7) For the purposes of subsection (3), if—
 - (a) the investment or any relevant investment is made, or
 - (b) any aid is granted,
 in sterling or any other currency that is not the euro, its amount is to be converted into euros at an appropriate spot rate of exchange for the date on which the investment is made or the aid is paid.
- (8) In this section “relevant investment” has the meaning given by section 173A(3) (reading references in section 173A(3) to a company as including any social enterprise).
- (9) Section 173A(4) and (5) apply to determine for the purposes of this section when a relevant investment is made.
- (10) Section 257MNB (which expands the meaning of “relevant investments made in the social enterprise”) applies for the purposes of each of subsections (2) and (3) above as it applies for the purposes of section 257MNA(2).]]

Textual Amendments

- F1** Pt. 5B inserted (17.7.2014) by [Finance Act 2014 \(c. 26\)](#), [Sch. 11 para. 1](#)
- F2** Ss. 257MNA-257MNE and cross-heading inserted (with effect in accordance with Sch. 1 para. 14(1) (2) of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), [Sch. 1 para. 6\(3\)](#)
- F3** Words in s. 257MNC(5) inserted (31.12.2020) by [The Taxes \(State Aid\) \(Amendments\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1499\)](#), regs. 1, [4\(7\)\(a\)\(i\)](#)
- F4** S. 257MNC(5)(a)(b) omitted (31.12.2020) by virtue of [The Taxes \(State Aid\) \(Amendments\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1499\)](#), regs. 1, [4\(7\)\(a\)\(ii\)](#)

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F5 Words in s. 257MNC(6) substituted (31.12.2020) by [The Taxes \(State Aid\) \(Amendments\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1499\)](#), regs. 1, [4\(7\)\(b\)](#)

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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.)