



Income Tax Act 2007

2007 CHAPTER 3

PART 6

VENTURE CAPITAL TRUSTS

CHAPTER 2

VCT RELIEF

Entitlement to relief

261 Eligibility for relief

- (1) An individual (“A”) is eligible for VCT relief for a tax year if—
 - (a) a VCT issues eligible shares to A in that year,
 - (b) the VCT issues the shares for raising money, and
 - (c) A subscribes for the shares on A's own behalf.
- (2) The amount in respect of which A is eligible for VCT relief for the tax year by reference to any shares is the amount subscribed by A for the shares.
- (3) A is eligible for VCT relief by reference to any shares only if—
 - [^{F1}(za) the shares are issued before 6 April 2025,]
 - (a) the shares are both subscribed for and issued—
 - (i) for genuine commercial reasons, and
 - (ii) not as part of a scheme or arrangement the main purpose or one of the main purposes of which is the avoidance of tax, and
 - (b) A is at least 18 years old when the shares are issued.
- (4) A is not eligible for VCT relief by reference to any shares if they are treated as issued to A by virtue of section 195(8) of FA 2003 (tax treatment of disposal by company of its own shares).

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Income Tax Act 2007. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

See section 271(4) for provision requiring the giving of notices about the effect of this subsection.

[^{F2}(5) The Treasury may, by regulations, amend subsection (3)(za) to substitute a different date for the date for the time being specified there.]

Textual Amendments

F1 S. 261(3)(za) inserted (18.11.2015) by [Finance \(No. 2\) Act 2015 \(c. 33\)](#), [Sch. 6 para. 2\(2\)](#)

F2 S. 261(5) inserted (18.11.2015) by [Finance \(No. 2\) Act 2015 \(c. 33\)](#), [Sch. 6 para. 2\(3\)](#)

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Changes and effects yet to be applied to :

- s. 261(3)(za) word substituted by [2024 c. 3 s. 11\(1\)\(b\)](#)

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- s. 788(7) inserted by [2007 c. 29 Sch. 21 para. 161\(b\)](#) (The amending provision was repealed before coming into force.)