

## VCT Regulations

The VCT Regulations are being amended with effect from 29 December 2016, and these increase the reporting obligations for VCTs' annual returns of investments. The new requirements apply for accounting periods ending on or after 31 December 2016. For example a VCT with an accounting date of 31 December 2016 will be required to supply additional information for investments made and disposed of from 1 January 2016 onwards.

The annual return will require the following additional information:

For investments made in the period:

- how the investment meets the permitted maximum age limit;
- the value of the VCT's total investment less the new investment;
- the nature of the trade of the investee company;
- gross assets and employee numbers of the investee company at the time of investment; and
- whether advance assurance was obtained from HMRC.

For disposals made in the period:

- the value at which the investment was disposed of.

The VCT is also required to state which of its investments qualify only because they are made from funds raised prior to 5 April 2008.

The name, address and Financial Services Register reference number of the VCT fund manager will also need to be reported.

VCTs will now be required to keep records for 10 years, rather than six years, in order to meet EU legal requirements.

The amendments can be found at <http://www.legislation.gov.uk/ukxi/2016/1192/contents/made>

This note is a brief summary of these issues only.

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