

Limits on the relief. ITA67 s195B(3) and (6); FA84 s13(1) to (2C); FA87 s9; FA93 s10(1) and s25(c)(i); FA96 s18 490.—(1) (a) Subject to section 508 and paragraph (b), the relief shall not be given in respect of any amount subscribed by an individual for eligible shares issued to the individual by any company in any year of assessment unless the amount or total amount subscribed by the individual for the eligible shares issued to the individual by the company in that year is £200 or more.

(b) In the case of an individual who is a married person assessed to tax for a year of assessment in accordance with section 1017, any amount subscribed by the individual's spouse for eligible shares issued to that spouse in that year of assessment by the company shall be deemed to have been subscribed by the individual for eligible shares issued to the individual by the company.

(2) The relief shall not be given to the extent to which the amount or total amount subscribed by an individual for eligible shares issued to the individual in any year of assessment (whether or not by the same company) exceeds £25,000.

(3) (a) Where in any year of assessment a greater amount of relief would be given to an individual in respect of the amount or the total amount subscribed by the individual for eligible shares (in this subsection referred to as “the relevant subscription”) issued to the individual in that year or, where section 489 (4) applies, in the following year of assessment but for either or both of the following reasons—

(i) an insufficiency of total income, or

(ii) the operation of subsection (2),

the amount of the relief which would be given but for those reasons less the amount or the aggregate amount of any relief in respect of the relevant subscription which is given in that year of assessment shall be carried forward to the next year of assessment, and shall be treated for the purposes of the relief as an amount subscribed directly by the individual for eligible shares issued to the individual in that next year.

(b) This subsection shall not apply for any year of assessment subsequent to the year 1998-99.

(4) (a) If and in so far as an amount once carried forward to a year of assessment under subsection (3) (and treated as an amount subscribed directly by an individual for eligible shares issued to the individual in that year of assessment) is not deducted from his or her total income for that year of assessment, it shall be carried forward again to the next year of assessment (and treated as an amount subscribed directly by the individual for eligible shares issued to the individual in that next year), and so on for succeeding years of assessment.

(b) This subsection shall not apply for any year of assessment subsequent to the year 1998-99.

(5) The relief shall be given to an individual for any year of assessment in the following order—

(a) in the first instance, in respect of an amount carried forward from an earlier year of assessment in

accordance with subsection (3) or (4) and, in respect of such an amount so carried forward, for an earlier year of assessment in priority to a later year of assessment, and

(b) only thereafter, in respect of any other amount for which relief is to be given in that year of assessment.