



STATUTORY INSTRUMENTS.

**S.I. No. 613 of 2007**

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EUROPEAN COMMUNITIES (INCOME TAX RELIEF FOR  
INVESTMENT IN CORPORATE TRADES — BUSINESS EXPANSION  
SCHEME AND SEED CAPITAL SCHEME) REGULATIONS 2007

**(Prn. A7/1676)**

EUROPEAN COMMUNITIES (INCOME TAX RELIEF FOR  
INVESTMENT IN CORPORATE TRADES — BUSINESS EXPANSION  
SCHEME AND SEED CAPITAL SCHEME) REGULATIONS 2007

I, BRIAN COWEN, Minister for Finance, in exercise of the powers conferred on me by section 3 of the European Communities Act 1972 (No. 27 of 1972) and for the purpose of giving effect to the provisions relating to aids granted by States as provided for by Articles 87, 88 and 89 of the Treaty establishing the European Community and to Commission Decision of 24 August 2007, in respect of the Business Expansion Scheme and the Seed Capital Scheme (notified under document number C(2007) 4060), hereby make the following regulations:

*Citation and operative period.*

1. (1) These Regulations may be cited as the European Communities (Income Tax Relief for Investment in Corporate Trades — Business Expansion Scheme and Seed Capital Scheme) Regulations 2007.

(2) These Regulations cease to have effect when a money bill containing provisions giving effect to Commission Decision of 24 August 2007 (notified under document number C(2007) 4060) is enacted.

*Construing of section 19 Finance Act 2007.*

2. Section 19 of the Finance Act 2007 (No. 11 of 2007) has effect as if—

(a) in subsection (1)—

(i) there were inserted the following after paragraph (e):

“(ea) in section 495—

(i) in subsection (1) by inserting the following before the definition of ‘EEA Agreement’:

‘ “assisted area” means an area specified in the National Regional State Aid Map for Ireland in relation to the period 1 January 2007 to 31 December 2013 approved under Commission Decision No. N 374/2006 of 24 October 2006<sup>1</sup>;’,

and

(ii) by inserting the following after subsection (3A)—

<sup>1</sup>OJ No. C292 of 1 December 2006, p.11

*Notice of the making of this Statutory Instrument was published in  
“Iris Oifigiúil” of 7th September, 2007.*

‘(3B) The company shall as respects the period commencing on 1 January 2007—

- (a) be a micro or small enterprise within the meaning of Annex 1 to Commission Regulation (EC) No. 364/2004 of 25 February 2004<sup>2</sup>,
- (b) be a medium-sized enterprise within the meaning of Annex 1 to Commission Regulation (EC) No. 364/2004 of 25 February 2004 located in an assisted area, or
- (c) where it is not located in an assisted area, be a medium-sized enterprise within the meaning of Annex 1 to Commission Regulation (EC) No. 364/2004 of 25 February 2004 which is at a stage of development not beyond start-up stage within the meaning of the Community Guidelines on State Aid to Promote Risk Capital Investments in Small and Medium-Sized Enterprises<sup>3</sup>.

(3C) For the purposes of subsection (3A)(b), the location of a company shall be determined by reference to the location at which the company or, as the case may be, the qualifying subsidiary, carries on qualifying trading operations or, in the case of a company which is resident in an EEA State other than the State that carries on business in the State through a branch or agency, the location at which that branch or agency carries on qualifying trading operations.’”,

and

- (ii) in paragraph (g), there were substituted “continues.” for “continues.’.” in subsection (4) of inserted section 508A of the Principal Act and there were inserted in that section the following after the said subsection (4):

“(5) No obligation as to secrecy imposed by statute or otherwise shall preclude the Revenue Commissioners from publishing information obtained by them in accordance with subsection (1).”,

and

<sup>2</sup>OJ No. L 63 of 28 February 2004, p.22

<sup>3</sup>OJ No. C 194 of 18 August 2006, p.2

(b) in subsection (2)(a)(iii) there were inserted “(ea),” after “(d)(ii)”.



GIVEN under my Official Seal,  
5 September 2007

BRIAN COWEN  
Minister for Finance.

## EXPLANATORY NOTE.

*(This note is not part of the Instrument and does not purport to be a legal interpretation.)*

These Regulations provide for temporary amendments to the Finance Act 2007 in order to give effect to the decision of the European Commission approving the Business Expansion Scheme (BES) and the Seed Capital Scheme (SCS). That approval was conditional on the changes being made.

The changes, which apply from 1 January 2007 may be summarised as follows:

Medium-sized enterprises not located in assisted areas that are beyond start-up stage as defined by the European Guidelines on State Aid to Promote Risk Capital Investments in Small and Medium-Sized Enterprises, are being excluded from the schemes.

The Regional Aid Map for Ireland 2007-2013 sets out the regions that fall into the assisted area category (all areas in Ireland with the exception of Dublin, Meath, Wicklow and Kildare — and with effect from 2009 Cork City and County, with the exception of the Cork Docklands). The location of the company will be determined by reference to the location at which the qualifying trading operations are carried on.

The Regulations remain in force until the passing of the Finance Act 2008.

BAILE ÁTHA CLIATH  
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