



Dated: 15th October 2020

Our Ref WMBC/IGR/54859 00394/VCRT
Your Ref

Request for advance assurance – Bovey Tracey Paradiso Arts Ltd

Dear Sir/Madam

Thank you for your correspondence dated 08 October 2020. You have asked for us to give you an assurance based on your application.

Social Investment Tax Relief (SITR)

We believe we will be able to authorise the Social Enterprise to issue compliance certificates under Section 257PC(1) of the Income Tax Act (ITA) 2007.

This is based on the information in your application. These certificates would relate to the shares you issue.

We give this assurance based on the legislation which is in place on the date of this letter. If the legislation changes and takes effect on or before the date which the shares or debt investment are issued, the assurance we have given may not continue to apply.

We can't guarantee that any particular subscriber will get relief under the scheme. For more information about this, go to www.gov.uk and search 'tax relief for investors'.

What happens next

Once your shares have been issued, you must complete and send us a compliance statement.

Please note, you must obtain the latest version of the compliance statement from our website, old versions are no longer accepted.

Go to **gov.uk** and enter SITR in the search option. Select the first result and read the section 'How to apply'

Please read the instructions on the form carefully and make sure you send it to us within the time limits.

The proposed investment(s) would meet the age requirement or other conditions of Section 257MNA ITA 2007 and would constitute State aid under Article 21 of the General Block Exemption Regulation (EC Regulation 651/2014) on State aid go www.gov.uk and search 'state-aid'.

More information

Please note that as part of this assurance I have considered all of the company's income streams. It is worth noting that the hiring of space for local artists is an activity that constitutes leasing. Leasing is an excluded activity as stipulated at section 257MQ(ba) Income Tax Act 2007, but the SISR scheme allows for an excluded activity to be carried on, provided that the activity in question does not amount to more than 20% of the company's business, by any measure that is reasonable.

I note from your letter that the leasing element is not likely to constitute more than 11% of the society's projected income and on that basis, I am able to provide the assurance sought. Should the leasing element at any point within three years from the issue of the SISR shares amount to over 20% of the society's income then SISR relief will be withdrawn.

Please note that you will only receive this email copy. You will not receive a copy by post or pdf.

Yours faithfully

Venture Capital Reliefs Team
HM Revenue and Customs