



ShareSoc

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Update on Oxford Technology VCTs - 8th June 2014

Oxford Technology VCT and VCT 3 (OXT and OTT) announced on Friday 6th June that HMRC have "set aside" the decision to withdraw VCT approval and will reconsider afresh the issue of withdrawal of VCT approval.

The effect of this is that the VCT status of OXT and OTT is, at the moment, to be treated as not having been withdrawn so that shareholders need not take any steps in relation to this matter. If, in the light of the further representations HMRC decide that VCT approval should not be withdrawn then that will conclude the matter so far as the shareholders' tax position is concerned.

If, on the other hand, HMRC decide that such approval should be withdrawn, then shareholders will be notified accordingly and will need to consider what steps they should take.

This is very good news for shareholders and the decision follows the submission of a legal opinion given on behalf of the Oxford VCTs by Graham Aaronson QC and extensive lobbying of HMRC and MPs by affected shareholders, supported by the ShareSoc Shareholder Group.

At this point the timings for HMRC to reconsider the issue are unclear and the outcome remains uncertain, so these companies are not necessarily out of the woods yet. Following the shareholder meeting held on May 20th, we have written to the manager, Lucius Cary, and to the directors with a number of recommendations for improving compliance with VCT regulations and corporate governance based on feedback received from shareholders at the meeting. That includes the need for a change of directors. Note that Mr Cary has already indicated that new procedures have been introduced to ensure the companies are compliant with the regulations at all times.

We will continue to monitor this situation and give voting recommendations for the forthcoming AGM in due course.

Tim Grattan
Oxford Technology VCTs Shareholder Group