



Finance Act 2002

2002 CHAPTER 23

PART 3

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER 2

OTHER PROVISIONS

Employment income and related matters

39 Employee share ownership plans: minor amendments

- (1) Schedule 8 to the Finance Act 2000 (c. 17) (employee share ownership plans) is amended as follows.
- (2) In paragraph 94 (PAYE: shares ceasing to be subject to plan), for “, subsection (3) of section 203F of the Taxes Act 1988 (PAYE: tradeable assets)” substitute—
 - “(a) section 203F of the Taxes Act 1988 (PAYE: readily convertible assets) shall have effect as if the participant were being provided with assessable income in the form of those shares—
 - (i) at the time the shares cease to be subject to the plan, and
 - (ii) in respect of the relevant employment in which the participant is employed at that time (or, if he is not employed in relevant employment at that time, the relevant employment in which he was last employed before that time), and
 - (b) subsection (3) of that section”.
- (3) In paragraph 95 (PAYE: shares ceasing to be subject to plan), in sub-paragraph (6), for the words from “a company” to “to whom” substitute “the company which employs the participant in relevant employment at the time when the shares cease to be subject to the plan (or, if the participant is not employed in relevant employment at that time, the

Status: This is the original version (as it was originally enacted).

company which last employed him in relevant employment before that time), provided that that company is one to whom”.

- (4) In paragraph 96 (PAYE: capital receipts), in sub-paragraph (2), for the words from “the company” to “to whom” substitute “the company which employs the participant in relevant employment at the time the trustees receive the sum of money referred to in sub-paragraph (1) (or, if the participant is not employed in relevant employment at that time, the company which last employed him in relevant employment before that time), provided that that company is one to whom”.
- (5) In paragraph 127 (jointly owned companies), at the end insert—
- “(4) A company controlled by a jointly owned company may not—
- (a) be a participating company in more than one group plan, or
- (b) if the jointly owned company or any other company controlled by it is a participating company in a group plan, be a participating company in a different group plan.”.
- (6) In paragraph 128(2) (meaning of “readily convertible asset”), after “this Schedule” insert “(and that section in its application in relation to shares which cease to be subject to a plan)”.
- (7) This section has effect for the year 2002-03 and subsequent years of assessment.
- (8) However, nothing in subsection (5) prevents a company continuing to be a participating company in a group plan in which it was a participating company immediately before the day on which this Act is passed (and for the purposes of this subsection “participating company” and “group plan” have the same meaning as in Schedule 8 to the Finance Act 2000).