



# Income Tax (Earnings and Pensions) Act 2003

## 2003 CHAPTER 1

### PART 7

#### EMPLOYMENT INCOME: SHARE-RELATED INCOME AND EXEMPTIONS

### CHAPTER 9

#### ENTERPRISE MANAGEMENT INCENTIVES

##### *Tax advantages: taxable benefits*

#### **540 No charge on acquisition of shares as taxable benefit**

(1) In its application in relation to a UK resident employee, Chapter 8 of Part 3 (taxable benefits: notional loans in respect of acquisitions of shares) does not apply in relation to the acquisition of shares by the exercise of a qualifying option.

(2) An employee is a “UK resident employee” if—

- (a) at the time when the option is granted, or
- (b) at the time when it is exercised,

the earnings from the employment are (or would be if there were any) general earnings to which section 15 or 21 applies (earnings for year when employee resident and ordinarily resident in the United Kingdom).