

Changes to legislation: There are currently no known outstanding effects for the Income Tax (Earnings and Pensions) Act 2003, PART 10A. (See end of Document for details)

SCHEDULES

SCHEDULE 2

^{F1} ... SHARE INCENTIVE PLANS

Textual Amendments

- F1** Word in Sch. 2 title omitted (6.4.2014) by virtue of [Finance Act 2014 \(c. 26\)](#), [Sch. 8 paras. 14, 89](#) (with [Sch. 8 paras. 90-96](#))

^{F1}PART 10A

DISQUALIFYING EVENTS

Textual Amendments

- F1** [Sch. 2 Pt. 10A](#) inserted (with effect in accordance with Sch. 3 para. 2(4) of the amending Act) by [Finance Act 2016 \(c. 24\)](#), [Sch. 3 para. 2\(3\)](#)

- 85A (1) A SIP ceases to be a Schedule 2 SIP if (and with effect from the time when) a disqualifying event occurs.
- (2) The following are disqualifying events—
- (a) an alteration being made in—
 - (i) the share capital of a company any of whose shares are subject to the plan trust, or
 - (ii) the rights attaching to any shares of such a company, that materially affects the value of the shares that are subject to the plan trust;
 - (b) shares of a class of shares that is subject to the plan trust receiving different treatment in any respect from the other shares of that class.
- (3) Sub-paragraph (2)(b) applies in particular to different treatment in respect of—
- (a) the dividend payable,
 - (b) repayment, or
 - (c) any offer of substituted or additional shares, securities or rights of any description in respect of the shares.
- (4) Sub-paragraph (2)(b) does not however apply where the difference in treatment arises from—
- (a) a key feature of the plan, or
 - (b) any of the participants' shares being subject to any restriction.
- (5) Nor does sub-paragraph (2)(b) apply as a result only of the fact that shares which have been newly issued receive, in respect of dividends payable with respect to a period

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beginning before the date on which they were issued, treatment less favourable than that accorded to shares issued before that date.

- (6) For the purposes of this paragraph a “key feature” of a plan is a provision of it that is necessary to meet the requirements of this Schedule.
- (7) This paragraph does not affect the operation of the SIP code in relation to shares awarded to participants in the plan before the disqualifying event occurred.]

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