

SCHEDULES

SCHEDULE 4

APPROVED CSOP SCHEMES

PART 8

SUPPLEMENTARY PROVISIONS

Power to require information

- 33 (1) The Inland Revenue may by notice require any person to provide them with any information—
- (a) which they reasonably require for the performance of their functions under the CSOP code, and
 - (b) which the person to whom the notice is addressed has or can reasonably obtain.
- (2) The power conferred by this paragraph extends, in particular, to—
- (a) information to enable the Inland Revenue—
 - (i) to decide whether to approve a CSOP scheme or to withdraw an approval already given, or
 - (ii) to determine the liability to tax, including capital gains tax, of any person who has participated in a scheme, and
 - (b) information about the administration of a scheme and any alteration of the terms of a scheme.
- (3) The notice must require the information to be provided within a specified time, which must not end earlier than 3 months after the date when the notice is given.

Jointly owned companies

- 34 (1) This paragraph applies for the purposes of the provisions of the CSOP code relating to group schemes.
- (2) Each joint owner of a jointly owned company is to be treated as controlling every company within sub-paragraph (3).
- (3) The companies within this sub-paragraph are—
- (a) the jointly owned company, and
 - (b) any company controlled by that company.
- (4) However, no company within sub-paragraph (3) may be—
- (a) a constituent company in more than one group scheme, or

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- (b) a constituent company in a particular group scheme if another company within that sub-paragraph is a constituent company in a different group scheme.
- (5) In this paragraph a “jointly owned company” means a company which (apart from sub-paragraph (2)) is not controlled by any one person and—
- (a) of which 50% of the issued share capital is owned by one person and 50% by another, or
 - (b) which is otherwise controlled by two persons taken together.
- (6) In this paragraph “joint owner” means one of the persons mentioned in sub-paragraph (5)(a) or (b).

Meaning of “associated company”

- 35 (1) For the purposes of the CSOP code one company is an “associated company” of another company at a given time if, at that time or at any other time within one year previously—
- (a) one has control of the other, or
 - (b) both are under the control of the same person or persons.
- (2) For the purposes of sub-paragraph (1) the question whether a person controls a company is to be determined in accordance with section 416(2) to (6) of ICTA.

Minor definitions

- 36 (1) In the CSOP code—
- “company” means a body corporate;
 - “market value” has the same meaning as it has for the purposes of TCGA 1992 by virtue of Part 8 of that Act.
- (2) For the purposes of the CSOP code a company is a member of a consortium owning another company if it is one of a number of companies—
- (a) which between them beneficially own not less than 75% of the other company’s ordinary share capital, and
 - (b) each of which beneficially owns not less than 5% of that capital.

Index of defined expressions

- 37 In the CSOP code the following expressions are defined or otherwise explained by the provisions indicated below:

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| approved | section 521(4) |
| associated company | paragraph 35(1) |
| child | section 832(5) of ICTA, (and see section 721(6) of this Act) |
| close company | section 832(1) of ICTA, (and see paragraph 9(4)) |
| company | paragraph 36(1) |
| connected person | section 718 |

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| constituent company | paragraph 3(3) |
| control | section 719 (and see paragraph 35(2)) |
| the CSOP code | section 521(3) |
| CSOP scheme | section 521(4) |
| distribution | section 832(1) of ICTA |
| eligible shares (in Part 4 of this Schedule) | paragraph 15(2) |
| employee and employment | section 4 |
| group scheme | paragraph 3(2) (and see paragraph 34) |
| the Inland Revenue | section 720(1) |
| market value | paragraph 36(1) |
| member of a consortium | paragraph 36(2) |
| notice | section 832(1) of ICTA |
| the options (in relation to a participant) | paragraph 2(2) |
| ordinary share capital | section 832(1) of ICTA |
| participant | paragraph 2(2) |
| participate | paragraph 2(2) |
| personal representatives | section 721(1) |
| recognised stock exchange | section 841 of ICTA |
| the scheme organiser | paragraph 2(2) |
| share option | section 521(4) |
| shares | section 521(4) |
| Special Commissioners | section 4 of TMA 1970 |
| United Kingdom | section 830 of ICTA |
