

SCHEDULES

SCHEDULE 7

TRANSITIONALS AND SAVINGS

PART 7

EMPLOYMENT INCOME: SHARE-RELATED INCOME

Approved CSOP schemes

- 75 (1) This paragraph has effect where, immediately before 6th April 2003, a discretionary share option scheme which was approved before 29th April 1996—
- (a) is approved under Schedule 9 to ICTA, and
 - (b) has effect subject to the modifications made by paragraphs 2 and 3 of Schedule 16 to FA 1996 (scheme to have effect, despite anything included in it to the contrary, as if it contained provisions required by paragraphs 28 and 29 of Schedule 9 to ICTA: limit of £30,000 on value of shares subject to outstanding options and requirements as to price for acquisition of shares).
- (2) On and after 6th April 2003 the scheme is to continue to have effect as if it provided—
- (a) that an individual may not be granted share options under it which would at the time when they are granted cause the aggregate market value of the shares which the individual may acquire by exercising share options granted under—
 - (i) the scheme, or
 - (ii) any other approved CSOP scheme established by the scheme organiser or an associated company of the scheme organiser,to exceed or further exceed £30,000 (leaving out of account share options that have already been exercised), and
 - (b) that the price at which shares may be acquired by the exercise of a share option granted under the scheme must not be manifestly less than the market value of shares of the same class at that time (or, if the Board of Inland Revenue and the scheme organiser agree in writing, at an earlier time or times stated in the agreement).
- (3) For the purposes of sub-paragraph (2)(a), the market value of shares is to be calculated as at—
- (a) the time when the options relating to them were granted, or
 - (b) if an agreement relating to them has been made under paragraph 22 of Schedule 4 (requirements as to price for acquisition of shares) the earlier time or times stated in the agreement.
- (4) Sub-paragraph (2) is subject to any amendment to the scheme made after 28th April 1996 (whether before or after 6th April 2003).

Status: This is the original version (as it was originally enacted).

- (5) In this paragraph “discretionary share option scheme” has the same meaning as in paragraph 73.
- (6) Other expressions used in this paragraph and contained in the index at the end of Schedule 4 (index of expressions defined in the CSOP code) have the meaning indicated by that index.