



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 7

EMPLOYMENT INCOME: SHARE-RELATED INCOME AND EXEMPTIONS

CHAPTER 2

CONDITIONAL INTERESTS IN SHARES

Tax exemption

426 No charge in respect of acquisition of employee's interest in certain circumstances

- (1) Subsection (2) applies if the terms on which the employee acquires the employee's interest are such that the interest will cease to be only conditional within 5 years after its acquisition.
- (2) No liability to income tax arises in respect of the acquisition of the employee's interest, except as provided by—
 - (a) Chapter 8 of Part 3 (taxable benefits: notional loans in respect of acquisitions of shares), or
 - (b) section 476 (charge on exercise of share option by employee).