



# Income Tax (Earnings and Pensions) Act 2003

## 2003 CHAPTER 1

### PART 7

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

### CHAPTER 3

#### CONVERTIBLE SHARES

#### *Supplementary provisions*

#### **443 Amount or value of consideration given for right to acquire shares**

- (1) This section applies for the purposes of section 442(3) in determining the amount or value of any consideration given for a right to acquire shares.
- (2) Subsection (3) applies if the right to acquire shares (“the new option”) is the whole or part of the consideration for the assignment or release of another right to acquire shares (“the old option”).
- (3) The amount or value of the consideration given for the new option is to be treated as being the sum of—
  - (a) the amount by which the amount or value of the consideration given for the grant of the old option exceeds the amount or value of any consideration for the assignment or release of the old option, apart from the new option, and
  - (b) any valuable consideration given for the grant of the new option, apart from the old option.
- (4) Two or more transactions are to be treated for the purposes of subsection (2) as a single transaction by which a right to acquire shares is assigned for a consideration which consists of or includes another right to acquire shares if—

---

*Status: This is the original version (as it was originally enacted).*

---

- (a) the transactions result in—
    - (i) a person ceasing to hold a right to acquire shares, and
    - (ii) that person or a connected person coming to hold another right to acquire shares, and
  - (b) one or more of the transactions is effected under arrangements to which two or more persons who hold rights to acquire shares, in respect of which there may be liability to tax under Chapter 5 of this Part (share options), are parties.
- (5) Subsection (4) applies regardless of the order in which the assignment and the acquisition occur.
- (6) In this section “release” includes agreeing to the restriction of the exercise of the right.