



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 7

[^{F1}EMPLOYMENT INCOME: INCOME AND EXEMPTIONS RELATING TO SECURITIES]

[^{F1}CHAPTER 3C

SECURITIES ACQUIRED FOR LESS THAN MARKET VALUE

[^{F1}446S Notional loan

- (1) Where this Chapter applies an interest-free loan (“the notional loan”) is to be treated as having been made to the employee by the employer at the time of the acquisition.
- (2) The provisions listed in subsection (3) apply as though the notional loan were an employment-related loan as defined in section 174 if and for so long as the employment has not terminated.
- (3) The provisions are—
 - section 175 (benefit of taxable cheap loan treated as earnings),
 - section 178 (exception for loans where interest qualifies for tax relief),
 - section 180 (threshold for benefit of loan to be treated as earnings),
 - section 182 (normal method of calculation: averaging),
 - section 183 (alternative method of calculation),
 - section 184 (interest treated as paid),
 - section 185 (apportionment of cash equivalent in case of joint loan etc), and
 - section 187 (aggregation of loans by close company to director).

[This section is not affected by section 554Z2(2).]
^{F2}(4)

Changes to legislation: *There are currently no known outstanding effects for the Income Tax (Earnings and Pensions) Act 2003, Section 446S. (See end of Document for details)*

Textual Amendments

- F1** Pt. 7 Ch. 3C inserted (with effect in accordance with Sch. 22 para. 7(2) of the amending Act) by Finance Act 2003 (c. 14), **Sch. 22 para. 7(1)**
- F2** S. 446S(4) inserted (with effect in accordance with Sch. 2 para. 52-59 of the amending Act) by Finance Act 2011 (c. 11), **Sch. 2 para. 21**

Changes to legislation:

There are currently no known outstanding effects for the Income Tax (Earnings and Pensions) Act 2003, Section 446S.