



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 7

EMPLOYMENT INCOME: SHARE-RELATED INCOME AND EXEMPTIONS

CHAPTER 4

POST-ACQUISITION BENEFITS FROM SHARES

Tax charge where restrictions or rights varied

452 Cases outside charge under section 449

- (1) Section 449 (charge on occurrence of chargeable event) does not apply in the following cases.
- (2) Section 449 does not apply if, by virtue of section 427 (charge on interest ceasing to be only conditional, etc.), an amount counts as employment income of the employee in respect of the chargeable event.
- (3) Section 449 does not apply in relation to shares in a company if the employee has not, at any time in the period of 7 years ending with the date on which the chargeable event occurs, been a director or employee of—
 - (a) the employer company;
 - (b) if different, the company whose shares they are; or
 - (c) an associated company of a company within paragraph (a) or (b).
- (4) Section 449 does not apply in relation to shares in a company which—
 - (a) was a dependent subsidiary at the time of the acquisition, or
 - (b) is a dependent subsidiary immediately before the time of the chargeable event.

Status: *This is the original version (as it was originally enacted).*

- (5) But in such a case section 453 (charge on increase in value of shares of dependent subsidiaries) may apply.