



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 on increase in value of shares of dependent subsidiaries

453 Charge on increase in value of shares of dependent subsidiary

- (1) This section applies if the shares are shares in a company—
 - (a) which was a dependent subsidiary at the time of the acquisition, or
 - (b) which was not then a dependent subsidiary but becomes one before the employee ceases to have a beneficial interest in the shares,and (in either case) there is a chargeable increase in the value of the shares.
- (2) The taxable amount determined under section 455 counts as employment income of the employee for the relevant tax year.
- (3) The “relevant tax year” is the tax year which includes the appropriate time (within the meaning of section 454(2) or (4)) by reference to which the chargeable increase is determined under that provision.
- (4) Section 454 explains what are chargeable increases for the purposes of this section.
- (5) This section is subject to—
 - section 456 (cases outside charge under this section),

Status: *This is the original version (as it was originally enacted).*

section 495 (approved SIPs: no charge on increase in value of shares),
section 520 (approved SAYE option schemes: no charge in respect of post-
acquisition benefits), and
section 525 (approved CSOP schemes: no charge in respect of post-acquisition
benefits).