

SCHEDULES

SCHEDULE 23

CORPORATION TAX RELIEF FOR EMPLOYEE SHARE ACQUISITION

PART 3

GRANT OF OPTION

Amount of relief

- 15 (1) The amount of the relief is equal to the difference between—
- (a) the market value of the shares at the time the option is exercised, and
 - (b) the total amount or value of any consideration given, by the recipient or another, in respect of the grant or exercise of the option.
- (2) The consideration mentioned in sub-paragraph (1)(b) does not include—
- (a) the performance of any duties of, or in connection with, the employee's employment with the employing company, or
 - (b) any amount paid or payable by the employee in pursuance of—
 - (i) an agreement within paragraph 3A(2) of Schedule 1 to the Contributions and Benefits Act (agreement for recovery from earner of secondary Class 1 contributions in respect of share option gain), or
 - (ii) an election under paragraph 3B of that Schedule (election transferring to earner liability for secondary Class 1 contributions in respect of share option gain).
- (3) A just and reasonable apportionment shall be made for the purposes of this paragraph of any consideration given partly in respect of the grant or exercise of the option and partly in respect of other matters.
- (4) If the option was granted partly for the purposes of a business meeting the requirements of paragraph 3 (business must be within the charge to corporation tax) and partly for the purposes of a business in relation to which those requirements are not met, the amount of the relief shall be reduced to such extent as is just and reasonable.