

*These notes refer to the Corporation Tax Act 2009  
(c.4) which received Royal Assent on 26 March 2009*

# CORPORATION TAX ACT 2009

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## EXPLANATORY NOTES

### COMMENTARY ON SECTIONS

#### **Part 11: Relief for particular employee share acquisition schemes**

##### **Overview**

##### **Chapter 2: SAYE option schemes, Company share option schemes and Employee share options trusts**

##### **Section 999: Deduction for costs of setting up SAYE option scheme or CSOP scheme**

2572. This section allows a deduction for the costs of setting up an approved “save as you earn” (SAYE) option scheme or an approved “company share option plan” (CSOP) scheme. It is based on sections 21A, 75 and 84A of ICTA.
2573. A CSOP scheme is commonly known as a company share option plan.
2574. The section is very similar to sections 987 and 1000. The deduction is given in calculating the trade or property business profits, *subsection (3)*, or as an expense of managing an investment business, *subsection (4)*. If the business is both an investment business and a property business *subsection (4)* gives priority to the property business. This order of priority is based on section 75(2) of ICTA which provides that a deduction as an expense of management is not given if the deduction is otherwise allowable.
2575. *Subsection (6)* applies if there is a delay between the company incurring the costs and the scheme being approved. The deduction is given for the period of account in which the scheme is approved. This avoids the company having to amend its company tax return for the period in which the expenditure is incurred or in an extreme case being outside the time limit for amending that return.
2576. Relief for providing the shares under the schemes is given by Part 12, which rewrites Schedule 23 to FA 2003.
2577. A CSOP can be set up by a non-UK resident company which trades in the United Kingdom otherwise than through a permanent establishment. Such a non-UK resident company would be subject to income tax, rather than corporation tax.