
Changes to legislation: Finance Act 2013, Cross Heading: ITEPA 2003 is up to date with all changes known to be in force on or before 03 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

SCHEDULES

SCHEDULE 46

ORDINARY RESIDENCE

PART 2

INCOME TAX: ARISING BASIS OF TAXATION

ITEPA 2003

- 29 ITEPA 2003 is amended as follows.
- 30 In section 56 (application of Income Tax Acts in relation to deemed employment), in subsection (5)—
- (a) for paragraph (a) substitute—
 - “(a) the worker being resident or domiciled outside the United Kingdom or meeting the requirement of section 26A,” and
 - (b) in paragraph (b), omit “or ordinarily resident”.
- 31 In section 61G (application of Income Tax Acts in relation to deemed employment), in subsection (5)—
- (a) for paragraph (a) substitute—
 - “(a) the worker being resident or domiciled outside the United Kingdom or meeting the requirement of section 26A,” and
 - (b) in paragraph (b), omit “or ordinarily resident”.
- 32 In section 328 (the income from which deductions may be made), in subsection (5), omit the entry for Chapter 6 of Part 5 and the word “and” immediately preceding it.
- 33 In section 341 (travel at start or finish of overseas employment), in subsection (3), for “resident and ordinarily resident in the United Kingdom” substitute “ UK resident ”.
- 34 In section 342 (travel between employments where duties performed abroad), in subsection (6), for “resident and ordinarily resident in the United Kingdom” substitute “ UK resident ”.
- 35 In section 370 (travel costs where duties performed abroad: employee's travel), in subsection (6), omit “in which the employee is ordinarily UK resident”.
- 36 In section 376 (foreign accommodation and subsistence costs and expenses (overseas employments)), in subsection (1)(b), for “resident and ordinarily resident in the United Kingdom” substitute “ UK resident ”.
- 37 (1) Section 378 (deductions from seafarers' earnings: eligibility) is amended as follows.
- (2) In subsection (1), for “relevant taxable earnings or EEA-resident earnings” substitute “ relevant general earnings ”.

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- (3) For subsection (5) substitute—
- “(5) Relevant general earnings” means—
- (a) taxable earnings under section 15, 22 or 26, or
 - (b) general earnings—
 - (i) to which section 27 applies, and
 - (ii) which are for a period in which the employee is liable under the law of an EEA State (other than the United Kingdom) to tax in that State by reason of domicile or residence.”
- (4) Omit subsection (6).
- 38 (1) Section 413 (exception in certain cases of foreign service) is amended as follows.
- (2) In subsection (2), after “subsection” (in the second place it occurs) insert “ (2A), ”.
- (3) After that subsection insert—
- “(2A) This subsection applies to service in or after the tax year 2013-14—
- (a) to the extent that it consists of duties performed outside the United Kingdom in respect of which earnings would not be relevant earnings, or
 - (b) if a deduction equal to the whole amount of the earnings from the employment was or would have been allowable under Chapter 6 of Part 5 (deductions from seafarers' earnings).”
- (4) In subsection (3), after “2003-04” insert “ but before the tax year 2013-14 ”.
- (5) After that subsection insert—
- “(3ZA) In subsection (2A)(a) “relevant earnings” means earnings for a tax year that are earnings to which section 15 applies and to which that section would apply even if the employee made a claim under section 809B of ITA 2007 (claim for remittance basis) for that year.”
- 39 (1) In section 681A (foreign benefits of consular employees), for subsection (4) substitute—
- “(4) Condition C is that—
- (a) the officer or employee is a permanent employee of that state, or
 - (b) the officer or employee was non-UK resident for each of the 2 tax years preceding the tax year in which the officer or employee became a consular officer or employee in the United Kingdom of that state.”
- (2) The amendment made by this paragraph does not apply to a person who became a consular officer or employee in the United Kingdom before 6 April 2013.
- 40 (1) In Schedule 2 (approved share incentive plans), in paragraph 8(2), omit paragraph (b) and the “and” immediately before it.
- (2) The amendments made by this paragraph do not apply to plans that have been approved before the day on which this Act is passed.
- 41 (1) In Schedule 3 (approved SAYE option schemes), in paragraph 6(2)—
- (a) insert “ and ” at the end of paragraph (c), and

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- (b) omit paragraph (ca), including the “and” at the end of it.
- (2) The amendments made by this paragraph do not apply to schemes that have been approved before the day on which this Act is passed.
- 42 In Schedule 5 (enterprise management incentives), in paragraph 27(3)(b), omit “and ordinarily resident”.

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Sch. 43C para. 8(5)(e) and word inserted by [2021 c. 26 Sch. 27 para. 42\(b\)\(ii\)](#)
- Sch. 43C para. 8(6)(a)(iv) and word inserted by [2021 c. 26 Sch. 27 para. 42\(c\)\(i\)\(b\)](#)
- Sch. 43C para. 8(6)(b)(iv) and word inserted by [2021 c. 26 Sch. 27 para. 42\(c\)\(ii\)\(b\)](#)
- Sch. 43C para. 8(6)(c)(iv) and word inserted by [2021 c. 26 Sch. 27 para. 42\(c\)\(iii\)\(b\)](#)
- Sch. 43C para. 8(6)(d)(iv) words substituted by [2021 c. 26 Sch. 27 para. 42\(c\)\(iv\)\(b\)](#)