



Finance Act 2017

2017 CHAPTER 10

PART 1

DIRECT AND INDIRECT TAXES

Employee shareholder shares

12 Employee shareholder shares: amount treated as earnings

- (1) In section 226A of ITEPA 2003 (amount treated as earnings)—
 - (a) in subsection (2), for “calculated in accordance with subsection (3)” substitute “equal to the market value of the shares”;
 - (b) omit subsection (3);
 - (c) in subsection (6), omit “and sections 226B to 226D”;
 - (d) in subsection (7), after “subsection (1)” insert “(but not subsection (2))”.
- (2) Omit sections 226B to 226D of ITEPA 2003 (deemed payment).
- (3) In consequence of subsection (2), in ITEPA 2003 omit the following—
 - (a) section 479(3A);
 - (b) section 531(3A);
 - (c) section 532(4A).
- (4) In consequence of subsection (2), in CTA 2009 omit the following—
 - (a) in section 1005, the definition of “employee shareholder share”;
 - (b) section 1009(6);
 - (c) in section 1010(1), “and, in the case of employee shareholder shares, section 1038B”;
 - (d) in section 1011(4)(b), “(but see also section 1038B of this Act)”;
 - (e) in sections 1018(1) and 1019(1), “and, in the case of employee shareholder shares, section 1038B”;
 - (f) sections 1022(5), 1026(5), 1027(5), 1033(5) and 1034(5);

Changes to legislation: There are currently no known outstanding effects
for the Finance Act 2017, Section 12. (See end of Document for details)

- (g) section 1038B;
 - (h) sections 1292(6ZA) and 1293(5A);
 - (i) in Schedule 4, the entry relating to “employee shareholder share”.
- (5) The amendments made by this section have effect in relation to shares acquired in consideration of an employee shareholder agreement entered into on or after the relevant day.
- (6) The relevant day is 1 December 2016, subject to subsection (7).
- (7) Where the individual entering into an employee shareholder agreement receives the advice referred to in section 205A(6)(a) of the Employment Rights Act 1996—
 - (a) on 23 November 2016, but
 - (b) before 1.30 pm on that day,the relevant day is 2 December 2016.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2017, Section 12.