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**Changes to legislation:** There are outstanding changes not yet made by the legislation.gov.uk editorial team to Finance (No. 2) Act 2017. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

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## SCHEDULES

### SCHEDULE 11

#### EMPLOYMENT INCOME PROVIDED THROUGH THIRD PARTIES: LOANS ETC OUTSTANDING ON 5 APRIL 2019

#### PART 3

#### EXCLUSIONS

##### *Cases involving employment-related securities*

- 31 Chapter 2 of Part 7A of ITEPA 2003 does not apply by reason of a relevant step within paragraph 1 which is treated as being taken by a person (“P”) if—
- (a) P is treated as taking a relevant step by that paragraph by reason of the payment of a sum of money by way of a loan (the “relevant loan”),
  - (b) the relevant loan is made and used solely for the purpose of enabling A to exercise an employment-related securities option (within the meaning of Chapter 5 of Part 7 of ITEPA 2003),
  - (c) the exercise of the option by A gives rise to employment income of A in respect of A's employment with B—
    - (i) which is chargeable to income tax or would be chargeable apart from Chapter 5B of Part 2 of ITEPA 2003, or
    - (ii) which is exempt income, and
  - (d) there is no connection (direct or indirect) between the relevant step and a tax avoidance arrangement.
- 32 In section 554N of ITEPA 2003 (exclusions: other cases involving employment-related securities etc.), at the end insert—
- “(17) See paragraph 31 of Schedule 11 to F(No. 2)A 2017 for provision about exclusions where a loan is made for the purpose of enabling the exercise of an employment-related securities option and the relevant step is within paragraph 1 of that Schedule.”

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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. A1 para. 8(6)(b) omitted by [2022 c. 3 Sch. 1 para. 32\(b\)](#)
- Sch. A1 para. 8(2) substituted by [2022 c. 3 Sch. 1 para. 32\(a\)](#)