
STATUTORY INSTRUMENTS

1996 No. 1355

INCOME TAX

The Personal Equity Plan (Amendment No. 2) Regulations 1996

<i>Made</i>	- - - -	<i>22nd May 1996</i>
<i>Laid before the House of Commons</i>	- - - -	<i>22nd May 1996</i>
<i>Coming into force</i>	- -	<i>23rd May 1996</i>

The Treasury, in exercise of the powers conferred upon them by section 333 of the Income and Corporation Taxes Act 1988(1), and section 151 of the Taxation of Chargeable Gains Act 1992(2), hereby make the following Regulations.

1.—(1) These Regulations may be cited as the Personal Equity Plan (Amendment No. 2) Regulations 1996 and shall come into force on 23rd May 1996.

(2) Regulations 2, 3 and 4 have effect in relation to transfers of, or renunciations of rights to, shares to a plan manager after these Regulations come into force.

2. The Personal Equity Plan Regulations 1989(3) shall be amended in accordance with regulations 3 and 4.

3. In regulation 4(3)(4) after sub-paragraph (a) there shall be inserted—

“(aa) that the shares were not allotted or allocated to the qualifying individual in the circumstances specified in paragraph (3A);”.

4. After regulation 4(3) there shall be inserted—

“(3A) The circumstances specified in this paragraph are where—

(a) the allotment or allocation of the shares was connected with the allotment or allocation of—

- (i) shares in the company of a different class, or
- (ii) rights to shares in the company of a different class, or
- (iii) shares or rights to shares in another company, or
- (iv) securities or rights to securities of the company or of another company,

(1) 1988 c. 1; section 333 was amended by section 70 of the Finance Act 1991 (c. 31).
(2) 1992 c. 12; section 151 was amended by section 85 of the Finance Act 1993 (c. 34) and by section 64(2) of the Finance Act 1995 (c. 4).
(3) S.I. 1989/469, amended by S.I. 1990/678, 1991/733, 2774, 1992/623, 1993/756, 1995/1539, 3287 and 1996/846.
(4) Amended by S.I. 1990/678, 1991/733 and 2774.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

- to that individual or to any other person; and
- (b) the terms on which the shares were offered were significantly more favourable to the qualifying individual than they would have been if their allotment or allocation had not been connected as described in sub-paragraph (a).”

22nd May 1996

Michael Bates
Liam Fox
Two of the Lords Commissioners of Her
Majesty’s Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations, which come into force on 23rd May 1996, further amend the Personal Equity Plan Regulations 1989 (S.I.1989/469, amended by S.I. 1990/678, 1991/733, 2774, 1992/623, 1993/756, 1995/1539, 3287 and 1996/846).

The effect of the amendments is to introduce a further condition when an individual subscribes to a personal equity plan by transferring to a plan manager shares issued in consequence of a public offer. The condition is that the shares must not have allotted or allocated in circumstances where the allotment or allocation was connected with the allotment or allocation of shares (or rights to shares) of a different class in the same company, or of shares (or rights to shares) in another company, or of securities (or rights to securities) of the same or another company, to that individual or to any other person, and the terms of the public offer for the shares were significantly more favourable to the individual than they would have been if the allotment or allocation of the shares had not been connected in that way.