



Finance Act 1989

1989 CHAPTER 26

PART II

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER I

GENERAL

Profit-related pay, share schemes etc.

[^{F1}61 Profit-related pay.

Schedule 4 to this Act (which amends the provisions of the Taxes Act 1988 relating to profit-related pay) shall have effect.]

Textual Amendments

F1 S. 61 repealed (19.3.1997 with effect as mentioned in Sch. 18 Pt. VI(3), notes 1, 2 of the amending Act) by 1997 c. 16, ss. 61(2)(3), 113, **Sch. 18 Pt. VI(3)**

^{F2}62 Savings-related share option schemes.

Textual Amendments

F2 S. 62 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by **Income Tax (Earnings and Pensions) Act 2003 (c. 1), s. 723, Sch. 8 Pt. 1** (with Sch. 7)

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1989, Cross Heading: Profit-related pay, share schemes etc.. (See end of Document for details)

F3 63 Profit sharing schemes.

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Textual Amendments
F3 S. 63 repealed (having effect for the year 1991-92 and subsequent years of assessment) by Finance Act 1991 (c. 31, SIF 63:1), s. 123, **Sch. 19 Pt. V** Note 6.

F4 64 Share option and profit sharing schemes: shares of consortium member.

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Textual Amendments
F4 S. 64 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), s. 723, **Sch. 8 Pt. 1** (with Sch. 7)

65 Employee share schemes: material interest.

In Schedule 9 to the Taxes Act 1988 the following paragraph shall be inserted after paragraph 39—

Shares subject to an employee benefit trust

- “40 (1) Where an individual has an interest in shares or obligations of the company as a beneficiary of an employee benefit trust, the trustees shall not be regarded as associates of his by reason only of that interest unless sub-paragraph (3) below applies in relation to him.
- (2) In this paragraph “employee benefit trust” has the same meaning as in paragraph 7 of Schedule 8.
- (3) This sub-paragraph applies in relation to an individual if at any time on or after 14th March 1989—
 - (a) the individual, either on his own or with any one or more of his associates, or
 - (b) any associate of his, with or without other such associates,
 has been the beneficial owner of, or able (directly or through the medium of other companies or by any other indirect means) to control, more than 25per cent., or in the case of a share option scheme which is not a savings-related share option scheme more than 10 per cent., of the ordinary share capital of the company.
- (4) Sub-paragraphs (9) to (12) of paragraph 7 of Schedule 8 shall apply for the purposes of this paragraph in relation to an individual as they apply for the purposes of that paragraph in relation to an employee.”

F5 66 Priority share allocations for employees etc.

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Changes to legislation: There are currently no known outstanding effects for the Finance Act 1989, Cross Heading: Profit-related pay, share schemes etc.. (See end of Document for details)

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Textual Amendments

- F5** S. 66 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, [Sch. 8 Pt. 1](#) (with Sch. 7)

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 1989, Cross Heading:
Profit-related pay, share schemes etc..