

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1989, Cross Heading: Position after trust's establishment. (See end of Document for details)

SCHEDULES

SCHEDULE 5

EMPLOYEE SHARE OWNERSHIP TRUSTS

Modifications etc. (not altering text)

- C1** Sch. 5 applied (6.3.1992 with effect as mentioned in s. 289(1)(2) of the applying Act) by Taxation of Chargeable Gains Act 1992 (c. 12), ss. 228(7), 235(8), 289 (with ss. 60, 101(1), 171, 201(3))

Position after trust's establishment

- 12 A trust which was at the time it was established a qualifying employee share ownership trust shall continue to be one, except that it shall not be such a trust at any time when the requirements mentioned in paragraph 3(3)(a) to (f) above are not satisfied. [^{F1}This paragraph applies in relation to trusts established on or before the day on which the Finance Act 1994 was passed.]

Textual Amendments

- F1** Words in Sch. 5 para. 12 inserted (3.5.1994) by 1994 c. 9, s. 102, Sch. 13 para. 4

Modifications etc. (not altering text)

- C1** See Finance Act 1990 (c. 29) ss. 31–40—roll-over relief for disposal of shares to employee share ownership trusts

- [^{F2}12A(1) Subject to sub-paragraphs (2) and (3) below, a trust which was at the time it was established a qualifying employee share ownership trust shall continue to be one.
- (2) If the trust deed makes provision under paragraph 3A(a) above, the trust shall not be a qualifying employee share ownership trust at any time when the requirements mentioned in paragraph 3(3)(a) to (f) above are not satisfied.
- (3) If the trust deed makes provision under paragraph 3A(b) above, the trust shall not be a qualifying employee share ownership trust at any time when the conditions mentioned in paragraph 3B(4)(a) to (e) above are not satisfied.
- (4) If the trust deed makes provision under paragraph 3A(c) above, the trust shall not be a qualifying employee share ownership trust at any time when—
- (a) there is not a single trustee,
- (b) the trustee is not a company which is resident in the United Kingdom and controlled by the founding company, or
- (c) the conditions mentioned in paragraph 3C(4)(a) to (e) above are not satisfied as regards the directors of the trustee.

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(5) This paragraph applies in relation to trusts established after the day on which the Finance Act 1994 was passed.]

Textual Amendments

F2 [Sch. 5 para. 12A](#) inserted (3.5.1994) by [1994 c. 9, s. 102](#), [Sch. 13 para. 5](#)

13 A trust is an employee share ownership trust at a particular time (the relevant time) if it was a qualifying employee share ownership trust at the time it was established; and it is immaterial whether or not it is a qualifying employee share ownership trust at the relevant time.

Modifications etc. (not altering text)

C2 *See Finance Act 1990 (c. 29) ss.31–40—roll-over relief for disposal of shares to employee share ownership trusts*

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