

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003, Paragraph 25A is up to date with all changes known to be in force on or before 25 May 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

SCHEDULES

SCHEDULE 4

^{F1}... CSOP SCHEMES

Textual Amendments

- F1** Word in [Sch. 4](#) title omitted (6.4.2014) by virtue of [Finance Act 2014 \(c. 26\)](#), [Sch. 8 paras. 164, 204](#) (with [Sch. 8 paras. 205-215](#))

PART 5

REQUIREMENTS ETC. RELATING TO SHARE OPTIONS

^{F1}Exercise of options: company events

Textual Amendments

- F1** [Sch. 4 para. 25A](#) and cross-heading inserted (17.7.2013) by [Finance Act 2013 \(c. 29\)](#), [Sch. 2 para. 29](#)

- 25A (1) The scheme may provide that share options relating to shares in a company may be exercised within 6 months after the relevant date for the purposes of sub-paragraph (2)^{F2}, (6) ^{F3}, (6ZA)] or (6A)].
- (2) The relevant date for the purposes of this sub-paragraph is the date when—
- a person has obtained control of the company as a result of making an offer falling within sub-paragraph (3), and
 - any condition subject to which the offer is made has been satisfied.
- (3) An offer falls within this sub-paragraph if it is—
- a general offer to acquire the whole of the issued ordinary share capital of the company which is made on a condition such that, if it is met, the person making the offer will have control of the company, or
 - a general offer to acquire all the shares in the company which are of the same class as the shares to which the option relates.
- (4) In sub-paragraph (3)(a) the reference to the issued ordinary share capital of the company does not include any capital already held by the person making the offer or a person connected with that person and in sub-paragraph (3)(b) the reference to the shares in the company does not include any shares already held by the person making the offer or a person connected with that person.
- (5) For the purposes of sub-paragraph (3)(a) and (b) it does not matter if the general offer is made to different shareholders by different means.

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- (6) The relevant date for the purposes of this sub-paragraph is the date when the court sanctions under section 899 of the Companies Act 2006 (court sanction for compromise or arrangement) a compromise or arrangement applicable to or affecting—
- (a) all the ordinary share capital of the company or all the shares of the same class as the shares to which the option relates, or
 - (b) all the shares, or all the shares of that same class, which are held by a class of shareholders identified otherwise than by reference to their employment or directorships or their participation in [^{F4}a Schedule 4]CSOP scheme.
- [The relevant date for the purposes of this sub-paragraph is the date when the court sanctions under section 901F of the Companies Act 2006 (court sanction for compromise or arrangement) a compromise or arrangement applicable to or affecting—
- ^{F5}(6ZA)
- (a) all the ordinary share capital of the company or all the shares of the same class as the shares to which the option relates, or
 - (b) all the shares, or all the shares of that same class, which are held by a class of shareholders identified otherwise than by reference to their employment or directorships or their participation in a Schedule 4 CSOP scheme.]
- [The relevant date for the purposes of this sub-paragraph is the date on which a non-
- ^{F6}(6A) UK company reorganisation arrangement applicable to or affecting—
- (a) all the ordinary share capital of the company or all the shares of the same class as the shares to which the option relates, or
 - (b) all the shares, or all the shares of that same class, which are held by a class of shareholders identified otherwise than by reference to their employments or directorships or their participation in a Schedule 4 CSOP scheme,
- becomes binding on the shareholders covered by it.]
- (7) The scheme may provide that share options relating to shares in a company may be exercised at any time when any person is bound or entitled to acquire shares in the company under sections 979 to 982 or 983 to 985 of the Companies Act 2006 (takeover offers: right of offeror to buy out minority shareholder etc).
- [Sub-paragraphs (7B) to (7F) apply if the scheme makes provision under sub-
- ^{F7}(7A) paragraph (1) or (7).
- (7B) The scheme may provide that if, in consequence of a relevant event, shares in the company to which a share option relates no longer meet the requirements of Part 4 of this Schedule, the share option may be exercised under the provision made under sub-paragraph (1) or (7) (as the case may be) no later than 20 days after the day on which the relevant event occurs, notwithstanding that the shares no longer meet the requirements of Part 4 of this Schedule.
- (7C) In sub-paragraph (7B) “relevant event” means—
- (a) a person obtaining control of the company as mentioned in sub-paragraph (2) (a);
 - (b) a person obtaining control of the company as a result of a compromise or arrangement sanctioned by the court as mentioned in sub-paragraph (6) [^{F8}or (6ZA)];

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- (c) a person obtaining control of the company as a result of a non-UK company reorganisation arrangement which has become binding on the shareholders covered by it as mentioned in sub-paragraph (6A);
 - (d) a person who is bound or entitled to acquire shares in the company as mentioned in sub-paragraph (7) obtaining control of the company.
- (7D) Provision made under sub-paragraph (7B) may not authorise the exercise of a share option, as the case may be—
- (a) at a time outside the 6 month period mentioned in sub-paragraph (1), or
 - (b) at a time not covered by sub-paragraph (7).
- (7E) The scheme may provide that a share option relating to shares in a company which is exercised during the period of 20 days ending with—
- (a) the relevant date for the purposes of sub-paragraph (2), (6) [^{F9}, (6ZA)] or (6A), or
 - (b) the date on which any person becomes bound or entitled to acquire shares in the company as mentioned in sub-paragraph (7),
- is to be treated as if it had been exercised in accordance with the provision made under sub-paragraph (1) or (7) (as the case may be).
- (7F) If the scheme makes provision under sub-paragraph (7E) it must also provide that if—
- (a) a share option is exercised in reliance on that provision in anticipation of—
 - (i) an event mentioned in sub-paragraph (2), (6) [^{F10}, (6ZA)] or (6A) occurring, or
 - (ii) a person becoming bound or entitled to acquire shares in the company as mentioned in sub-paragraph (7), but
 - (b) as the case may be—
 - (i) the relevant date for the purposes of sub-paragraph (2), (6) [^{F11}, (6ZA)] or (6A) does not fall during the period of 20 days beginning with the date on which the share option is exercised, or
 - (ii) the person does not become bound or entitled to acquire shares in the company by the end of the period of 20 days beginning with the date on which the share option is exercised,
- the exercise of the share option is to be treated as having had no effect.]
- (8) For the purposes of this paragraph a person is to be treated as obtaining control of a company if that person and others acting in concert together obtain control of it.]

Textual Amendments

- F2** Words in Sch. 4 para. 25A(1) substituted (6.4.2014) by [Finance Act 2014 \(c. 26\), Sch. 8 paras. 176\(2\), 204](#) (with [Sch. 8 paras. 205-215](#))
- F3** Word in Sch. 4 para. 25A(1) inserted (26.6.2020) by [Corporate Insolvency and Governance Act 2020 \(c. 12\), s. 49\(1\), Sch. 9 para. 25\(2\)\(a\)](#) (with [ss. 2\(2\), 5\(2\)](#))
- F4** Words in Sch. 4 para. 25A(6)(b) substituted (6.4.2014) by [Finance Act 2014 \(c. 26\), Sch. 8 paras. 176\(3\), 204](#) (with [Sch. 8 paras. 205-215](#))
- F5** Sch. 4 para. 25A(6ZA) inserted (26.6.2020) by [Corporate Insolvency and Governance Act 2020 \(c. 12\), s. 49\(1\), Sch. 9 para. 25\(2\)\(b\)](#) (with [ss. 2\(2\), 5\(2\)](#))
- F6** Sch. 4 para. 25A(6A) inserted (6.4.2014) by [Finance Act 2014 \(c. 26\), Sch. 8 paras. 176\(4\), 204](#) (with [Sch. 8 paras. 205-215](#))

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- F7** Sch. 4 paras. 25A(7A)-(7F) inserted (6.4.2014) by [Finance Act 2014 \(c. 26\)](#), **Sch. 8 paras. 176(5)**, 204 (with [Sch. 8 paras. 205-215](#))
- F8** Words in Sch. 4 para. 25A(7C)(b) inserted (26.6.2020) by [Corporate Insolvency and Governance Act 2020 \(c. 12\)](#), s. 49(1), **Sch. 9 para. 25(2)(c)** (with ss. 2(2), 5(2))
- F9** Word in Sch. 4 para. 25A(7E)(a) inserted (26.6.2020) by [Corporate Insolvency and Governance Act 2020 \(c. 12\)](#), s. 49(1), **Sch. 9 para. 25(2)(d)** (with ss. 2(2), 5(2))
- F10** Word in Sch. 4 para. 25A(7F)(a)(i) inserted (26.6.2020) by [Corporate Insolvency and Governance Act 2020 \(c. 12\)](#), s. 49(1), **Sch. 9 para. 25(2)(e)** (with ss. 2(2), 5(2))
- F11** Word in Sch. 4 para. 25A(7F)(b)(i) inserted (26.6.2020) by [Corporate Insolvency and Governance Act 2020 \(c. 12\)](#), s. 49(1), **Sch. 9 para. 25(2)(e)** (with ss. 2(2), 5(2))

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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):

- s. 452(2)(aa) inserted by [2013 c. 29 Sch. 23 para. 11](#)
- s. 707A inserted by [2024 c. 3 s. 36\(4\)](#)