
Changes to legislation: Finance Act 2003, Paragraph 50 is up to date with all changes known to be in force on or before 21 April 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 22

EMPLOYEE SECURITIES AND OPTIONS

Consequential amendments of other enactments

50 (1) After section 119 insert—

“119A Increase in expenditure by reference to tax charged in relation to employment-related securities

- (1) This section applies to a disposal of an asset consisting of employment-related securities if the disposal—
 - (a) is an event giving rise to a relevant income tax charge, or
 - (b) is the first disposal after an event, other than a disposal, giving rise to a relevant income tax charge.
- (2) Section 38(1)(a) applies as if the relevant amount had formed part of the consideration given by the person making the disposal for his acquisition of the employment-related securities.
- (3) For the purposes of this section an event gives rise to a relevant income tax charge if it results in an amount counting as employment income—
 - (a) under section 426 of ITEPA 2003 (restricted securities),
 - (b) under section 438 of ITEPA 2003 by virtue of section 439(3)(a) of that Act (conversion of convertible securities),
 - (c) under section 446U of ITEPA 2003 (securities acquired for less than market value: discharge of notional loan), or
 - (d) under section 476 of ITEPA 2003 by virtue of section 477(3)(a) of that Act (acquisition of securities pursuant to employment-related securities option),in respect of the employment-related securities.
- (4) For the purposes of this section “the relevant amount” is the aggregate of the amounts counting as employment income as mentioned in subsection (3) above by reason of events occurring—
 - (a) not later than the disposal, and
 - (b) where this section has applied to an earlier disposal of the employment-related securities, after the last disposal to which this section applied.
- (5) But where the relevant amount consists of or includes an amount counting as employment income under section 476 of ITEPA 2003, it is to be increased by the aggregate of any amounts deducted under section 480(5)(a) or (b), 481 or 482 of that Act in arriving at the amount of that employment income.

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- (6) Where securities or interests in securities cease to be employment-related securities—
- (a) by reason of subsection (6) of section 421B of ITEPA 2003 in circumstances in which, immediately before the employee's death, the employment-related securities are held otherwise than by the employee, or
 - (b) by reason of subsection (7) of that section,
- they are to be regarded for the purposes of this section as remaining employment-related securities until the next occasion on which they are disposed of.
- (7) In this section—
- “employment-related securities”, and
 - “employee”, in relation to employment-related securities,
- have the same meaning as in Chapters 1 to 4 of Part 7 of ITEPA 2003.
- (8) References in this section to ITEPA 2003 are to that Act as amended by Schedule 22 to the Finance Act 2003.”.
- (2) Sub-paragraph (1) has effect in relation to disposals on or after 16th April 2003.

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Changes and effects yet to be applied to :

- specified provision(s) savings for amendments by 2018 anaw 1, s. 6, Sch. 6 by [S.I. 2019/110 reg. 5](#)

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. 57(3) inserted by [2011 c. 11 Sch. 22 para. 4](#)
- s. 87(3)(a)(ia) inserted by [S.I. 2003/2760 Sch. para. 3\(4\)\(a\)](#) (This amendment not applied to legislation.gov.uk. The affecting S.I. is revoked and superseded by [S.I. 2003/2816](#))
- Sch. 12 para. 3(2)(aa) inserted by [2007 asp 3 Sch. 5 para. 32](#) (This effect was superseded by the repeal of Sch. 12 para. 3 by Finance Act 2008 (c. 9), s. 129(4), Sch. 43 para. 16)
- Sch. 12 para. 1A inserted by [2007 c. 15 Sch. 13 para. 147\(2\)](#) (The amending provision was repealed before coming into force.)
- Sch. 12 para. 1A omitted by [2008 c. 9 Sch. 43 para. 9](#) (The amending provision was repealed before coming into force.)