

SCHEDULES

SCHEDULE 23

CORPORATION TAX RELIEF FOR EMPLOYEE SHARE ACQUISITION

PART 4

PROVISIONS APPLYING IN CASE OF SHARES SUBJECT TO FORFEITURE

Income tax position of the employee in case of shares subject to forfeiture

- 20 (1) Where the recipient acquires shares that are subject to forfeiture, this paragraph applies in place of paragraph 7 or 14 (income tax position of the employee).
- (2) It must be the case that the employee—
- (a) is subject to a charge to income tax under the Income Tax (Earnings and Pensions) Act 2003 (c. 1) by virtue of section 427 of that Act—
 - (i) on the shares ceasing to be subject to forfeiture, or
 - (ii) on the recipient disposing of the shares, or dying, without the shares having ceased to be subject to forfeiture, or
 - (b) would be subject to such a charge if the conditions in sub-paragraph (3) were met.
- (3) The conditions mentioned in sub-paragraph (2)(b) are—
- (a) that the employee was resident and ordinarily resident in the United Kingdom at all material times, and
 - (b) that the duties of the employment by reason of which the award was made or the option was granted were performed in the United Kingdom at all material times.