



# Finance (No. 3) Act 2010

## 2010 CHAPTER 33

### PART 1

#### INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

##### *Income tax and corporation tax*

#### **6 Enterprise management incentives**

- (1) Schedule 5 to ITEPA 2003 (enterprise management incentives) is amended as follows.
- (2) In paragraph 8 (qualifying companies: introduction), omit the “and” at the end of the entry relating to “number of employees” and after the entry relating to “trading activities” insert “, and

UK permanent establishment (see paragraph 14A).”

- (3) After paragraph 14 insert—

#### **14A “The UK permanent establishment requirement**

- (1) The UK permanent establishment requirement is met if condition A or B is met.
- (2) Condition A is that the company has a permanent establishment in the United Kingdom.
- (3) Condition B is that—
  - (a) the company is a parent company, and
  - (b) any other member of the group—
    - (i) meets the conditions in paragraph 14(1)(a) (trading activities requirement), and
    - (ii) has a permanent establishment in the United Kingdom.”

**Changes to legislation:** *There are currently no known outstanding effects for the Finance (No. 3) Act 2010, Section 6. (See end of Document for details)*

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- (4) In paragraph 15(1) (meaning of “qualifying trade”), omit paragraph (a) (requirement that trade be carried on wholly or mainly in United Kingdom).
- (5) The amendments made by this section have effect in relation to options granted on or after the day on which this Act is passed.

**Changes to legislation:**

There are currently no known outstanding effects for the Finance (No. 3) Act 2010, Section 6.