

SCHEDULES

SCHEDULE 11

EMPLOYMENT INCOME PROVIDED THROUGH THIRD PARTIES: LOANS ETC OUTSTANDING ON 5 APRIL 2019

PART 3

EXCLUSIONS

Acquisition of unlisted employer shares

- 35 (1) Chapter 2 of Part 7A of ITEPA 2003 does not apply by reason of a relevant step within paragraph 1 which is treated as being taken by a person (“P”) if the conditions in sub-paragraph (2) are met.
- (2) The conditions are that—
- (a) the loan or quasi-loan concerned was made before 9 December 2010,
 - (b) if P is treated as taking a relevant step by paragraph 1 by reason of the payment of a sum of money by way of loan, the sum is used by A solely to acquire employer shares,
 - (c) if P is treated as taking a relevant step by paragraph 1 by reason of making a quasi-loan, the transfer of assets mentioned in paragraph 2(3)(b) is the transfer of employer shares to A,
 - (d) the employer shares are acquired, or transferred, before the end of the period of one year beginning with the day on which the loan, or quasi-loan, is made, and
 - (e) the employer shares are not listed on a recognised stock exchange at any time during the period beginning with the day on which the loan, or quasi-loan, is made and ending with the earlier of—
 - (i) the day on which A ceases to hold the shares, or
 - (ii) the day on which the loan, or quasi-loan, is repaid.
- (3) In this paragraph “employer shares” means shares that form part of the ordinary share capital of—
- (a) B, or
 - (b) if B is a company and is a member of a group of companies at the time the shares are acquired, any other company which is a member of that group at that time.
- (4) Sub-paragraph (6) applies if—
- (a) apart from sub-paragraph (1), Chapter 2 of Part 7A would apply by reason of the relevant step mentioned in sub-paragraph (1), and
 - (b) at the end of the relevant period, an amount of the loan, or quasi-loan, is outstanding.

Status: This is the original version (as it was originally enacted).

- (5) In this paragraph “the relevant period” means the period of 12 months beginning with the day on which A ceases to hold the shares.
- (6) Part 7A of ITEPA 2003 has effect as if—
- (a) a relevant step within paragraph 1 were taken by reason of making a loan, or quasi-loan, of an amount equal to the amount of the loan, or quasi-loan, outstanding at the end of the relevant period, and
 - (b) the relevant step were taken on the day after the end of the relevant period.