



Finance (No. 2) Act 2023

2023 CHAPTER 30

PART 1

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

Reliefs for employees

16 CSOP schemes: share value limit and share class

- (1) Schedule 4 to ITEPA 2003 (CSOP schemes) is amended as follows.
- (2) In paragraph 6 (limit on value of shares subject to options)—
 - (a) in sub-paragraph (1), in the words after paragraph (b), for “£30,000” substitute “£60,000”;
 - (b) after sub-paragraph (4) insert—

“(5) The Treasury may by regulations amend sub-paragraph (1) by substituting a different sum of money for the sum for the time being specified there.”
- (3) In paragraph 15 (requirements relating to shares that may be subject to share options: introduction), in sub-paragraph (1)—
 - (a) after the entry for paragraph 17 insert “, and”;
 - (b) omit the entry for paragraph 20 and the “, and” before it.
- (4) Omit paragraph 20 (requirements as to other shareholdings).
- (5) In paragraph 27 (requirement about share options granted in exchange), in sub-paragraph (4)(a), for “20” substitute “18”.
- (6) The amendments made by [subsection \(2\)](#) have effect for the purposes of determining whether a share option may be granted to an individual on or after 6 April 2023 (“the commencement day”).
- (7) The amendments made by [subsections \(3\)](#) and [\(4\)](#) have effect in relation to—

Status: This is the original version (as it was originally enacted).

- (a) share options granted on or after the commencement day, and
 - (b) shares acquired by the exercise of share options on or after the commencement day (regardless of when those share options were granted).
- (8) The amendment made by subsection (5) has effect in relation to share options granted on or after the commencement day.
- (9) A CSOP scheme which was approved by, or notified to, His Majesty's Revenue and Customs before the commencement day has effect on and after the commencement day with any modifications needed to reflect the amendments made by this section.
- (10) In particular, such a CSOP scheme has effect from the commencement day with—
- (a) the substitution of “£60,000” for “£30,000” in any provision required by paragraph 6 of Schedule 4 to ITEPA 2003;
 - (b) the omission of any provision that (before the amendments made by this section) was required by paragraph 20 of that Schedule by virtue of paragraph 15(1) of that Schedule.
- (11) In this section, “CSOP scheme” and “share option” have the same meaning as in the CSOP code (see paragraph 37 of Schedule 4 to ITEPA 2003).

17 Enterprise management incentives: restricted shares and declarations

- (1) Schedule 5 to ITEPA 2003 (enterprise management incentives) is amended as follows.
- (2) In Part 5 (requirements relating to options), in paragraph 37 (terms of option to be agreed in writing) omit sub-paragraphs (4) and (5).
- (3) In Part 7 (notification of option to HMRC), in paragraph 44 (notice of option to be given to HMRC)—
- (a) in sub-paragraph (5)—
 - (i) after paragraph (a) insert “and”;
 - (ii) omit paragraph (c) and the “, and” immediately before it;
 - (b) omit sub-paragraphs (5A) and (6).
- (4) In Part 8 (supplementary provisions) omit paragraph 57A (penalty for non-compliance with paragraph 44(5A)).
- (5) The amendments made by this section have effect in relation to—
- (a) share options granted on or after 6 April 2023, or
 - (b) share options granted before 6 April 2023 which are capable of being exercised on or after that date (“relevant options”).
- (6) But if—
- (a) an employer company has granted relevant options to persons by reason of their employment with the company, and
 - (b) the effect of subsection (5)(b) would otherwise be that a relevant requirement would not be met in relation to one or more share options granted before 6 April 2023,

the employer company must, on or before the relevant day, make arrangements for determining which of the relevant options, or the extent to which those options, are to take the benefit of subsection (5)(b) without a relevant requirement not being met in relation to any share options granted before 6 April 2023.

- (7) The arrangements must—
- (a) set out the criteria by reference to which the determination will be made, and
 - (b) be made available to persons who may be affected by the determination.
- (8) If the employer company fails to make arrangements in accordance with [subsection \(7\)](#) in a case where it is required to do so by [subsection \(6\)](#), which relevant options, or the extent to which those options, take the benefit of [subsection \(5\)\(b\)](#) is to be determined in the chronological order in which those options were granted (and where two or more relevant options were granted at the same time, the extent to which those options take the benefit of [subsection \(5\)\(b\)](#) is, where necessary, to be apportioned between those options).
- (9) In this section—
- “relevant day” means 6 July following the end of the first tax year in which a relevant option granted by the employer company is exercised;
 - “relevant options” has the meaning given in [subsection \(5\)\(b\)](#);
 - “relevant requirement” means any of the requirements in paragraphs 5(1), 6(2) or (4) or 7(1) of Schedule 5 to ITEPA 2003;
 - “share option” and “employer company” have the same meaning as in the EMI code (see paragraph 59 of Schedule 5 to ITEPA 2003).