

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003, SCHEDULE 4 is up to date with all changes known to be in force on or before 09 June 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 4 **U.K.**

Section 521

^{F1}... CSOP SCHEMES

Textual Amendments

- F1** Word in Sch. 4 title omitted (6.4.2014) by virtue of Finance Act 2014 (c. 26), Sch. 8 paras. 164, 204 (with Sch. 8 paras. 205-215)

PART 1 **U.K.**

INTRODUCTION

^{F2}Introduction to Schedule 4] CSOP schemes

Textual Amendments

- F2** Words in Sch. 4 para. 1 cross-heading substituted (6.4.2014) by Finance Act 2014 (c. 26), Sch. 8 paras. 165, 204 (with Sch. 8 paras. 205-215)

1 ^{F3}(A1) For the purposes of the CSOP code a CSOP scheme is a Schedule 4 CSOP scheme if the requirements of Parts 2 to 6 of this Schedule are met in relation to the scheme.]

(3) The requirements consist of general requirements (see Part 2) and requirements as to—

- the eligibility of individuals to participate in a scheme (see Part 3),
- the shares to which a scheme can apply (see Part 4),
- the share options which may be granted under a scheme (see Part 5), and
- the exchange of share options (see Part 6).

^{F4}(4) Sub-paragraph (A1) is subject to Part 7 of this Schedule which—

- (a) requires notice of a scheme to be given to Her Majesty's Revenue and Customs (“HMRC”) in order for the scheme to be a Schedule 4 CSOP scheme (see paragraph 28A(1)),
- (b) provides for a scheme in relation to which such notice is given to be a Schedule 4 CSOP scheme (see paragraph 28A(4)), and
- (c) gives power to HMRC to enquire into a scheme and to decide that the scheme should not be a Schedule 4 CSOP scheme (see paragraphs 28F to 28I).]

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Textual Amendments

- F3** Sch. 4 para. 1(A1) substituted for Sch. 4 para. 1(1)(2) (6.4.2014) by Finance Act 2014 (c. 26), **Sch. 8 paras. 166(2), 204** (with Sch. 8 paras. 205-215)
- F4** Sch. 4 para. 1(4) substituted (6.4.2014) by Finance Act 2014 (c. 26), **Sch. 8 paras. 166(3), 204** (with Sch. 8 paras. 205-215)

CSOP schemes

- 2 (1) In the CSOP code a “CSOP scheme” means (in accordance with section 521(4)) a scheme which—
- is established by a company,
 - provides for share options to be granted to employees and directors, and
 - is not an SAYE option scheme (within the meaning of the SAYE code: see section 516(4)).
- (2) In the CSOP code, in relation to a CSOP scheme—
- “participant” means an individual who has been granted (but has not yet exercised) share options under the scheme (“the options”);
- “participate” means obtain and exercise share options under the scheme;
- “the scheme organiser” means the company which has established the scheme.

Group schemes

- 3 (1) A CSOP scheme established by a company that controls one or more other companies (a “parent scheme company”) may extend to all or any of those other companies.
- (2) In the CSOP code a CSOP scheme established by a parent scheme company which so extends is called a “group scheme”.
- (3) In relation to a group scheme a “constituent company” means—
- the parent scheme company, or
 - any other company to which for the time being the scheme is expressed to extend.
- (4) Paragraph 34 deals with jointly owned companies and companies controlled by them.

PART 2 U.K.

^{F5}GENERAL REQUIREMENTS ...

Textual Amendments

- F5** Words in Sch. 4 Pt. 2 title omitted (6.4.2014) by virtue of Finance Act 2014 (c. 26), **Sch. 8 paras. 167, 204** (with Sch. 8 paras. 205-215)

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General requirements^{F6} ...: introduction

Textual Amendments

F6 Words in Sch. 4 para. 4 cross-heading omitted (6.4.2014) by virtue of [Finance Act 2014 \(c. 26\)](#), [Sch. 8 paras. 168, 204](#) (with [Sch. 8 paras. 205-215](#))

- 4 A CSOP scheme must meet the requirements of—
paragraph 5 (general restriction on contents of scheme), and
paragraph 6 (limit on value of shares subject to options).

General restriction on contents of scheme

- [^{F75} (1) The purpose of the scheme must be to provide, in accordance with this Schedule, benefits for employees and directors in the form of share options.
- (2) The scheme must not provide benefits to employees or directors otherwise than in accordance with this Schedule.
- (3) For example, the scheme must not provide cash as an alternative to share options or shares which might otherwise be acquired by the exercise of share options.]

Textual Amendments

F7 Sch. 4 para. 5 substituted (6.4.2014) by [Finance Act 2014 \(c. 26\)](#), [Sch. 8 paras. 169, 204](#) (with [Sch. 8 paras. 205-215](#))

Limit on value of shares subject to options

- 6 (1) The scheme must provide that an individual may not be granted share options under it which would at the time when they are granted cause the aggregate market value of the shares which the individual may acquire by exercising share options granted under—
(a) the scheme, or
(b) any other [^{F8}Schedule 4] CSOP scheme established by the scheme organiser or an associated company of the scheme organiser,
to exceed or further exceed [^{F9}£60,000].
- (2) For the purposes of sub-paragraph (1) share options that have already been exercised are to be left out of account.
- (3) For the purposes of sub-paragraph (1) the market value of shares is to be calculated as at—
(a) the time when the options relating to them were granted, or
(b) if an agreement relating to them has been made under paragraph 22 (requirements as to price for acquisition of shares) the earlier time or times stated in the agreement.
- [^{F10}(4) For the purposes of this paragraph the market value of shares subject to a restriction is to be determined as if they were not subject to the restriction.]

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[^{F11}(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.]

Textual Amendments

- F8** Words in Sch. 4 para. 6(1)(b) substituted (6.4.2014) by Finance Act 2014 (c. 26), Sch. 8 paras. 170, 204 (with Sch. 8 paras. 205-215)
- F9** Sum in Sch. 4 para. 6(1) substituted (with effect in accordance with s. 16(6) of the amending Act) by Finance (No. 2) Act 2023 (c. 30), s. 16(2)(a) (with s. 16(9)(10))
- F10** Sch. 4 para. 6(4) inserted (with effect in accordance with Sch. 2 para. 77 of the amending Act) by Finance Act 2013 (c. 29), Sch. 2 para. 68
- F11** Sch. 4 para. 6(5) inserted (with effect in accordance with s. 16(6) of the amending Act) by Finance (No. 2) Act 2023 (c. 30), s. 16(2)(b) (with s. 16(9)(10))

PART 3 U.K.

ELIGIBILITY OF INDIVIDUALS TO PARTICIPATE IN SCHEME

Requirements relating to the eligibility of individuals: introduction

- 7 A CSOP scheme must meet the requirements of—
paragraph 8 (the employment requirement), and
paragraph 9 (the “no material interest” requirement).

The employment requirement

- 8 (1) The scheme must ensure that an individual is not eligible to be granted share options under the scheme at a particular time unless the individual is then a full-time director or a qualifying employee of—
(a) the scheme organiser, or
(b) in the case of a group scheme, a constituent company.
- (2) A “qualifying employee”, in relation to a company, means an employee of the company other than one who is a director of—
(a) the company, or
(b) in the case of a group scheme, a constituent company.

The “no material interest” requirement

- 9 (1) The scheme must ensure that an individual is not eligible to participate in the scheme on any date if the individual has on that date, or has had within the 12 months preceding that date, a material interest in a close company—
(a) whose shares may be acquired as a result of exercising share options granted under the scheme, or
(b) which has control of a company whose shares may be acquired as a result of exercising share options granted under the scheme, or
(c) which is a member of a consortium which owns a company within paragraph (b).

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- (2) For the purposes of this paragraph an individual is to be regarded as having a material interest in a company if—
- (a) the individual, or
 - (b) the individual together with one or more of the individual’s associates, or
 - (c) any such associate, with or without any other such associates,
- has a material interest in the company.
- (3) This paragraph is supplemented—
- (a) as regards the meaning of “material interest”, by paragraphs 10 and 11, and
 - (b) as regards the meaning of “associate”, by paragraph 12 (read with paragraphs 13 and 14).
- (4) In this paragraph and paragraph 10 “close company” includes a company that would be a close company but for—
- (a) [F12section 442(a) of CTA 2010] (exclusion of companies not resident in the United Kingdom), or
 - (b) [F13sections 446 and 447 of CTA 2010] (exclusion of certain quoted companies).

Textual Amendments

- F12** Words in Sch. 4 para. 9(4)(a) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), [Sch. 1 para. 398\(2\)\(a\)](#) (with [Sch. 2](#))
- F13** Words in Sch. 4 para. 9(4)(b) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), [Sch. 1 para. 398\(2\)\(b\)](#) (with [Sch. 2](#))

Meaning of “material interest”

- 10 (1) In paragraph 9 (the “no material interest” requirement) references to a “material interest” in a company are to—
- (a) a material interest in the share capital of the company, or
 - (b) a material interest in its assets.
- (2) A material interest in the share capital of a company means—
- (a) beneficial ownership of, or
 - (b) the ability to control (directly or through the medium of other companies or by any other indirect means),
- more than [F1430%] of the ordinary share capital of the company.
- (3) A material interest in the assets of a company means—
- (a) possession of, or
 - (b) an entitlement to acquire,
- such rights as would, in the event of the winding up of the company or in any other circumstances, give an entitlement to receive more than [F1430%] of the assets that would then be available for distribution among the participators.
- (4) In this paragraph “participator” has the meaning given by [F15section 454 of CTA 2010].
- (5) This paragraph is supplemented by paragraph 11 (material interest: options etc.).

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Textual Amendments

- F14** Word in Sch. 4 para. 10(2)(3) substituted (with effect in accordance with Sch. 2 para. 44(2)(3) of the amending Act) by [Finance Act 2013 \(c. 29\)](#), [Sch. 2 para. 44\(1\)](#)
- F15** Words in Sch. 4 para. 10(4) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), [Sch. 1 para. 398\(3\)](#) (with [Sch. 2](#))

Material interest: options and interests in SIPs

- 11 (1) For the purposes of paragraph 10 (meaning of “material interest”) a right to acquire shares (however arising) is to be treated as a right to control them.
- (2) Sub-paragraph (3) also applies for the purposes of paragraph 10 in a case where—
- the shares to be attributed to an individual consist of or include shares which the individual or another person has a right to acquire, and
 - the circumstances are such that, if that right were to be exercised, the shares acquired would be shares which were previously unissued and which the company would be contractually bound to issue in the event of the exercise of the right.
- (3) In determining at any time prior to the exercise of the right whether the number of shares to be attributed to the individual exceeds [^{F16}30%] of the ordinary share capital of the company, that ordinary share capital is to be treated as increased by the number of unissued shares referred to in sub-paragraph (2)(b).
- (4) The references in sub-paragraphs (2) and (3) to the shares to be attributed to an individual are to the shares which—
- for the purposes of paragraph 10(2) (material interest in share capital), and
 - in accordance with paragraph 9(2) (material interest can consist of or include that of individual’s associates),
- fall to be brought into account in the individual’s case so that it can be determined whether their number exceeds [^{F16}30%] of the company’s ordinary share capital.
- (5) In applying paragraph 10 the following are to be disregarded—
- the interest of the trustees of any [^{F17}Schedule 2]SIP (within the meaning of the SIP code: see section 488(4)) in any shares which are held by them in accordance with the plan but which have not been appropriated to, or acquired on behalf of, an individual, and
 - any rights exercisable by the trustees as a result of that interest.

Textual Amendments

- F16** Word in Sch. 4 para. 11(3)(4) substituted (with effect in accordance with Sch. 2 para. 44(2)(3) of the amending Act) by [Finance Act 2013 \(c. 29\)](#), [Sch. 2 para. 44\(1\)](#)
- F17** Words in [Sch. 4 para. 11\(5\)\(a\)](#) substituted (6.4.2014) by [Finance Act 2014 \(c. 26\)](#), [Sch. 8 paras. 50, 89](#) (with [Sch. 8 paras. 90-96](#))

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Meaning of “associate”

- 12 (1) In paragraph 9(2) (the “no material interest” requirement) “associate”, in relation to an individual, means—
- (a) any relative or partner of that individual,
 - (b) the trustee or trustees of any settlement in relation to which that individual, or any of the individual’s relatives (living or dead), is or was a settlor, or
 - (c) where that individual is interested in any shares or obligations of the company mentioned in paragraph 9(2) which are subject to any trust or are part of the estate of a deceased person—
 - (i) the trustee or trustees of the settlement concerned, or
 - (ii) the personal representatives of the deceased,as the case may be.
- (2) Sub-paragraph (1)(c) needs to be read with paragraphs 13 and 14 (which relate to employee benefit trusts and discretionary trusts).
- (3) In this paragraph—
- “relative” means—
 - (a) spouse [^{F18}or civil partner],
 - (b) parent, child or remoter relation in the direct line, or
 - (c) brother or sister;
 - “settlor” and “settlement” have the same meaning as in [^{F19}Chapter 5 of Part 5 of ITTOIA 2005 (see section 620 of that Act)].

Textual Amendments

- F18** Words in Sch. 4 para. 12(3) inserted (5.12.2005) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), regs. 1(1), **172**
- F19** Words in Sch. 4 para. 12(3) substituted (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 1 para. 619](#) (with Sch. 2)

Meaning of “associate”: trustees of employee benefit trust

- 13 (1) This paragraph applies for the purposes of paragraph 12(1)(c) (meaning of “associate”: trustees of settlement) where the individual is interested as a beneficiary of an employee benefit trust in shares or obligations of the company mentioned in paragraph 9(2).
- (2) The trustees of the employee benefit trust are not to be regarded as associates of the individual as a result only of the individual’s being so interested if neither—
- (a) the individual, nor
 - (b) the individual together with one or more of the individual’s associates, nor
 - (c) any such associate, with or without any other such associates,
- has at any time after 13th March 1989 been the beneficial owner of, or been able (directly or through the medium of other companies or by any other indirect means) to control, more than [^{F20}30%] of the ordinary share capital of the company.
- (3) In sub-paragraph (2)(b) and (c) “associate” has the meaning given by paragraph 12(1), but does not include the trustees of an employee benefit trust as a result only of the individual’s having an interest in shares or obligations of the trust.

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- (4) Chapter 11 of Part 7 of this Act (which deals with the attribution of interests in companies to beneficiaries of employee benefit trusts) applies for the purposes of sub-paragraph (2).
- (5) In this paragraph “employee benefit trust” has the same meaning as in that Chapter (see sections 550 and 551).

Textual Amendments

F20 Word in Sch. 4 para. 13(2) substituted (with effect in accordance with Sch. 2 para. 44(2)(3) of the amending Act) by [Finance Act 2013 \(c. 29\)](#), [Sch. 2 para. 44\(1\)](#)

Meaning of “associate”: trustees of discretionary trust

- 14 (1) This paragraph applies for the purposes of paragraph 12(1)(c) (meaning of “associate”: trustees of settlement) where—
- (a) the individual (“the beneficiary”) is one of the objects of a discretionary trust,
 - (b) the property subject to the trust has at any time consisted of, or included, shares or obligations of the company mentioned in paragraph 9(2),
 - (c) the beneficiary has ceased to be eligible to benefit under the trust as a result of—
 - (i) an irrevocable disclaimer or release executed by the beneficiary, or
 - (ii) the irrevocable exercise by the trustees of a power to exclude the beneficiary from the objects of the trust,
 - (d) immediately after the beneficiary ceased to be so eligible, no associate of the beneficiary was interested in the shares or obligations of the company that were subject to the trust, and
 - (e) during the period of 12 months ending with the date on which the beneficiary ceased to be so eligible, neither the beneficiary nor any associate of the beneficiary received any benefit under the trust.
- (2) The beneficiary is not, as a result only of the matters referred to in sub-paragraph (1) (a) and (b), to be regarded as having been interested in the shares or obligations of the company at any time during that period of 12 months.
- (3) In sub-paragraph (1) “associate” has the meaning given by paragraph 12(1) but with the omission of paragraph (c).

PART 4 **U.K.**

SHARES TO WHICH SCHEMES CAN APPLY

Requirements relating to shares that may be subject to share options: introduction

- 15 (1) A CSOP scheme must meet the requirements of—
- paragraph 16 (shares must be ordinary shares of certain companies),
 - paragraph 17 (requirements as to listing) [^{F21}, and]
 - paragraph 18 (shares must be fully paid up and not redeemable) ^{F22} ...
- ^{F23}
...

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F22
...

[^{F24}(1A) Sub-paragraph (1) and the other paragraphs of this Part are subject to paragraph 25A(7B).]

(2) In this Part “eligible shares” means shares which may be acquired by the exercise of share options under the scheme.

Textual Amendments

- F21** Word in [Sch. 4 para. 15\(1\)](#) inserted (with effect in accordance with s. 16(7) of the amending Act) by [Finance \(No. 2\) Act 2023 \(c. 30\), s. 16\(3\)\(a\)](#) (with s. 16(9)(10))
- F22** Words in [Sch. 4 para. 15\(1\)](#) omitted (with effect in accordance with s. 16(7) of the amending Act) by virtue of [Finance \(No. 2\) Act 2023 \(c. 30\), s. 16\(3\)\(b\)](#) (with s. 16(9)(10))
- F23** Words in [Sch. 4 para. 15](#) omitted (with effect in accordance with [Sch. 2 para. 77](#) of the amending Act) by virtue of [Finance Act 2013 \(c. 29\), Sch. 2 para. 70\(b\)](#)
- F24** [Sch. 4 para. 15\(1A\)](#) inserted (6.4.2014) by [Finance Act 2014 \(c. 26\), Sch. 8 paras. 171, 204](#) (with [Sch. 8 paras. 205-215](#))

Shares must be ordinary shares of certain companies

- 16 Eligible shares must form part of the ordinary share capital of—
- (a) the scheme organiser,
 - (b) a company which has control of the scheme organiser, or
 - (c) a company which either is, or has control of, a company which is a member of a consortium owning either the scheme organiser or a company having control of the scheme organiser.

Requirements as to listing

- 17 (1) Eligible shares must be —
- (a) shares of a class listed on a recognised stock exchange, ^{F25}...
 - (b) shares in a company which is not under the control of another company, ^{F26}... [^{F27}, or
 - (ba) shares in a company which is subject to an employee-ownership trust (within the meaning of paragraph 27(4) to (6) of Schedule 2).]
 - ^{F28}(c)
- ^{F29}(2)

Textual Amendments

- F25** Word in [Sch. 4 para. 17\(1\)](#) omitted (1.10.2014) by virtue of [Finance Act 2014 \(c. 26\), Sch. 37 para. 21\(1\)\(2\)](#)
- F26** Word in [Sch. 4 para. 17\(1\)\(b\)](#) omitted (24.9.2010 with effect in accordance with s. 39(3)-(9) of the amending Act) by virtue of [Finance Act 2010 \(c. 13\), s. 39\(2\)\(a\)\(ii\)\(3\)\(a\)](#)
- F27** [Sch. 4 para. 17\(1\)\(ba\)](#) and word inserted (1.10.2014) by [Finance Act 2014 \(c. 26\), Sch. 37 para. 21\(1\)\(2\)](#)
- F28** [Sch. 4 para. 17\(1\)\(c\)](#) omitted (24.9.2010 with effect in accordance with s. 39(3)-(9) of the amending Act) by virtue of [Finance Act 2010 \(c. 13\), s. 39\(1\)\(3\)\(a\)](#)

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- F29** Sch. 4 para. 17(2) omitted (24.9.2010 with effect in accordance with s. 39(3)-(9) of the amending Act) by virtue of [Finance Act 2010 \(c. 13\)](#), [s. 39\(2\)\(a\)\(iii\)\(3\)\(a\)](#)

Shares must be fully paid up and not redeemable

- 18 Eligible shares must be—
(a) fully paid up, and
(b) not redeemable.

Only certain kinds of restriction allowed

- ^{F30}19

Textual Amendments

- F30** Sch. 4 para. 19 omitted (with effect in accordance with Sch. 2 para. 77 of the amending Act) by virtue of [Finance Act 2013 \(c. 29\)](#), [Sch. 2 para. 71](#)

Requirements as to other shareholdings

- ^{F31}20

Textual Amendments

- F31** [Sch. 4 para. 20](#) omitted (with effect in accordance with s. 16(7) of the amending Act) by virtue of [Finance \(No. 2\) Act 2023 \(c. 30\)](#), [s. 16\(4\)](#) (with s. 16(9)(10))

PART 5 U.K.

REQUIREMENTS ETC. RELATING TO SHARE OPTIONS

Requirements etc. relating to share options: introduction

- 21 (1) A CSOP scheme must meet the requirements of—
[^{F32}paragraph 21A (general requirements as to terms of option),
paragraph 22 (requirements as to price for acquisition of shares), and
paragraph 23 (share options may not be transferred).
(2) A CSOP scheme may make any provision authorised by—
paragraph 24 (exercise of options: ceasing to be director or employee), ^{F33} ...
paragraph 25 (exercise of options: death) [^{F34}, or
paragraph 25A (exercise of options: company events)]

Textual Amendments

- F32** Words in [Sch. 4 para. 21\(1\)](#) inserted (6.4.2014) by [Finance Act 2014 \(c. 26\)](#), [Sch. 8 paras. 172, 204](#) (with [Sch. 8 paras. 205-215](#))
F33 Word in [Sch. 4 para. 21\(2\)](#) omitted (17.7.2013) by virtue of [Finance Act 2013 \(c. 29\)](#), [Sch. 2 para. 28\(a\)](#)

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F34 Words in Sch. 4 para. 21(2) inserted (17.7.2013) by Finance Act 2013 (c. 29), Sch. 2 para. 28(b)

[^{F35}General requirements as to terms of option

Textual Amendments

F35 Sch. 4 para. 21A and cross-heading inserted (6.4.2014) by Finance Act 2014 (c. 26), Sch. 8 paras. 173, 204 (with Sch. 8 paras. 205-215)

- 21A (1) The following terms of a share option which is granted under the scheme must be stated at the time the option is granted—
- (a) the price at which shares may be acquired by the exercise of the option,
 - (b) the number and description of the shares which may be acquired by the exercise of the option,
 - (c) the restrictions to which those shares may be subject,
 - (d) the times at which the option may be exercised (in whole or in part), and
 - (e) the circumstances under which the option will lapse or be cancelled (in whole or in part), including any conditions to which the exercise of the option is subject (in whole or in part).
- (2) Terms stated as required by sub-paragraph (1) may be varied after the grant of the option, but—
- (a) in the case of the price, only as provided for in paragraph 22,
 - (b) in the case of the number or description of shares, only as provided for in paragraph 22 or by way of a mechanism which is stated at the time the option is granted, and
 - (c) in any other case, only by way of a mechanism which is stated at the time the option is granted.
- (3) Any mechanism stated for the purposes of sub-paragraph (2)(b) or (c) must be applied in a way that is fair and reasonable.
- (4) Terms stated as required by sub-paragraph (1), and any mechanism stated for the purposes of sub-paragraph (2)(b) or (c), must be notified to the participant as soon as practicable after the grant of the option.]

Requirements as to price for acquisition of shares

- 22 (1) The price at which shares may be acquired by the exercise of a share option granted under the scheme—
- ^{F36}(a)
 - (b) must not be manifestly less than the market value of shares of the same class ^{F37}—
 - (i) at the time when the option is granted, or
 - (ii) at such earlier time as may be determined in accordance with guidance issued by the Commissioners for Her Majesty's Revenue and Customs.]

This is subject to ^{F38}sub-paragraph (3)].

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^{F39}(2)

(3) The scheme may provide for one or more of the following—

- (a) the price at which shares may be acquired by the exercise of a share option granted under the scheme,
- (b) the number of shares which may be so acquired, or
- (c) the description of shares which may be so acquired,

to be varied so far as necessary to take account of a variation in the share capital of which the shares form part.

[^{F40}(3A) If the scheme makes provision under sub-paragraph (3), the variation or variations made under that provision to take account of a variation in any share capital must (in particular) secure—

- (a) that the total market value of the shares which may be acquired by the exercise of the share option is immediately after the variation or variations substantially the same as what it was immediately before the variation or variations, and
- (b) that the total price at which those shares may be acquired is immediately after the variation or variations substantially the same as what it was immediately before the variation or variations.

(3B) Sub-paragraph (3) does not authorise any variation which would result in the requirements of the other paragraphs of this Schedule not being met in relation to the share option.]

^{F41}(4)

^{F42}[^{F43}(5)

(6) For the purposes of this paragraph the market value of shares subject to a restriction is to be determined as if they were not subject to the restriction.]

Textual Amendments

- F36** Sch. 4 para. 22(1)(a) and word omitted (6.4.2014) by virtue of [Finance Act 2014 \(c. 26\)](#), [Sch. 8 paras. 174\(2\)\(a\)](#), 204 (with [Sch. 8 paras. 205-215](#))
- F37** Words in Sch. 4 para. 22(1)(b) substituted (15.9.2016) by [Finance Act 2016 \(c. 24\)](#), [Sch. 3 para. 7\(2\)\(a\)](#)
- F38** Words in Sch. 4 para. 22(1)(b) substituted (15.9.2016) by [Finance Act 2016 \(c. 24\)](#), [Sch. 3 para. 7\(2\)\(b\)](#)
- F39** Sch. 4 para. 22(2) omitted (15.9.2016) by virtue of [Finance Act 2016 \(c. 24\)](#), [Sch. 3 para. 7\(3\)](#)
- F40** Sch. 4 para. 22(3A)(3B) inserted (6.4.2014) by [Finance Act 2014 \(c. 26\)](#), [Sch. 8 paras. 174\(3\)](#), 204 (with [Sch. 8 paras. 205-215](#))
- F41** Sch. 4 para. 22(4) omitted (6.4.2014) by virtue of [Finance Act 2014 \(c. 26\)](#), [Sch. 8 paras. 174\(4\)](#), 204 (with [Sch. 8 paras. 205-215](#))
- F42** Sch. 4 para. 22(5) omitted (6.4.2014) by virtue of [Finance Act 2014 \(c. 26\)](#), [Sch. 8 paras. 174\(5\)](#), 204 (with [Sch. 8 paras. 205-215](#))
- F43** Sch. 4 para. 22(5)(6) inserted (with effect in accordance with Sch. 2 para. 77 of the amending Act) by [Finance Act 2013 \(c. 29\)](#), [Sch. 2 para. 72](#)

Share options must not be transferable

- 23 (1) The scheme must ensure that share options granted to a participant are not capable of being transferred by the participant.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003, SCHEDULE 4 is up to date with all changes known to be in force on or before 09 June 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

(2) Paragraph 25 provides for the exercise of the options where the participant has died.

Exercise of options: ceasing to be director or employee

- 24 (1) The scheme may provide that an individual may exercise share options under it after ceasing to be a full-time director or qualifying employee.
- (2) “Qualifying employee” has the same meaning as in paragraph 8 (the employment requirement).

Exercise of options: death

- 25^[F44](1) The scheme may provide that, if a participant dies before exercising the options, they may be exercised on or after the date of death^{F45}....
- ^[F46](2) Provision made under sub-paragraph (1) must permit the exercise of the options at any time on or after the date of death but not later than 12 months after that date.]

Textual Amendments

- F44** Sch. 4 para. 25 renumbered as Sch. 4 para. 25(1) (6.4.2014) by [Finance Act 2014 \(c. 26\)](#), **Sch. 8 paras. 175(2), 204** (with [Sch. 8 paras. 205-215](#))
- F45** Words in Sch. 4 para. 25(1) omitted (6.4.2014) by virtue of [Finance Act 2014 \(c. 26\)](#), **Sch. 8 paras. 175(3), 204** (with [Sch. 8 paras. 205-215](#))
- F46** Sch. 4 para. 25(2) inserted (6.4.2014) by [Finance Act 2014 \(c. 26\)](#), **Sch. 8 paras. 175(4), 204** (with [Sch. 8 paras. 205-215](#))

^[F47]Exercise of options: company events

Textual Amendments

- F47** Sch. 4 para. 25A and cross-heading inserted (17.7.2013) by [Finance Act 2013 \(c. 29\)](#), **Sch. 2 para. 29**

- 25A (1) The scheme may provide that share options relating to shares in a company may be exercised within 6 months after the relevant date for the purposes of sub-paragraph (2)^[F48], (6) ^[F49], (6ZA) or (6A)].
- (2) The relevant date for the purposes of this sub-paragraph is the date when—
- (a) a person has obtained control of the company as a result of making an offer falling within sub-paragraph (3), and
- (b) any condition subject to which the offer is made has been satisfied.
- (3) An offer falls within this sub-paragraph if it is—
- (a) a general offer to acquire the whole of the issued ordinary share capital of the company which is made on a condition such that, if it is met, the person making the offer will have control of the company, or
- (b) a general offer to acquire all the shares in the company which are of the same class as the shares to which the option relates.
- (4) In sub-paragraph (3)(a) the reference to the issued ordinary share capital of the company does not include any capital already held by the person making the offer

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or a person connected with that person and in sub-paragraph (3)(b) the reference to the shares in the company does not include any shares already held by the person making the offer or a person connected with that person.

- (5) For the purposes of sub-paragraph (3)(a) and (b) it does not matter if the general offer is made to different shareholders by different means.
- (6) The relevant date for the purposes of this sub-paragraph is the date when the court sanctions under section 899 of the Companies Act 2006 (court sanction for compromise or arrangement) a compromise or arrangement applicable to or affecting—
- (a) all the ordinary share capital of the company or all the shares of the same class as the shares to which the option relates, or
 - (b) all the shares, or all the shares of that same class, which are held by a class of shareholders identified otherwise than by reference to their employment or directorships or their participation in ^{F50}a Schedule 4 CSOP scheme.

^{F51}(6ZA) [The relevant date for the purposes of this sub-paragraph is the date when the court sanctions under section 901F of the Companies Act 2006 (court sanction for compromise or arrangement) a compromise or arrangement applicable to or affecting—

- (a) all the ordinary share capital of the company or all the shares of the same class as the shares to which the option relates, or
- (b) all the shares, or all the shares of that same class, which are held by a class of shareholders identified otherwise than by reference to their employment or directorships or their participation in a Schedule 4 CSOP scheme.]

^{F52}(6A) [The relevant date for the purposes of this sub-paragraph is the date on which a non-UK company reorganisation arrangement applicable to or affecting—

- (a) all the ordinary share capital of the company or all the shares of the same class as the shares to which the option relates, or
- (b) all the shares, or all the shares of that same class, which are held by a class of shareholders identified otherwise than by reference to their employments or directorships or their participation in a Schedule 4 CSOP scheme,

becomes binding on the shareholders covered by it.]

- (7) The scheme may provide that share options relating to shares in a company may be exercised at any time when any person is bound or entitled to acquire shares in the company under sections 979 to 982 or 983 to 985 of the Companies Act 2006 (takeover offers: right of offeror to buy out minority shareholder etc).

^{F53}(7A) [Sub-paragraphs (7B) to (7F) apply if the scheme makes provision under sub-paragraph (1) or (7).

- (7B) The scheme may provide that if, in consequence of a relevant event, shares in the company to which a share option relates no longer meet the requirements of Part 4 of this Schedule, the share option may be exercised under the provision made under sub-paragraph (1) or (7) (as the case may be) no later than 20 days after the day on which the relevant event occurs, notwithstanding that the shares no longer meet the requirements of Part 4 of this Schedule.

(7C) In sub-paragraph (7B) “relevant event” means—

- (a) a person obtaining control of the company as mentioned in sub-paragraph (2) (a);

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- (b) a person obtaining control of the company as a result of a compromise or arrangement sanctioned by the court as mentioned in sub-paragraph (6) [^{F54} or (6ZA)];
 - (c) a person obtaining control of the company as a result of a non-UK company reorganisation arrangement which has become binding on the shareholders covered by it as mentioned in sub-paragraph (6A);
 - (d) a person who is bound or entitled to acquire shares in the company as mentioned in sub-paragraph (7) obtaining control of the company.
- (7D) Provision made under sub-paragraph (7B) may not authorise the exercise of a share option, as the case may be—
- (a) at a time outside the 6 month period mentioned in sub-paragraph (1), or
 - (b) at a time not covered by sub-paragraph (7).
- (7E) The scheme may provide that a share option relating to shares in a company which is exercised during the period of 20 days ending with—
- (a) the relevant date for the purposes of sub-paragraph (2), (6) [^{F55}, (6ZA)] or (6A), or
 - (b) the date on which any person becomes bound or entitled to acquire shares in the company as mentioned in sub-paragraph (7),
- is to be treated as if it had been exercised in accordance with the provision made under sub-paragraph (1) or (7) (as the case may be).
- (7F) If the scheme makes provision under sub-paragraph (7E) it must also provide that if—
- (a) a share option is exercised in reliance on that provision in anticipation of—
 - (i) an event mentioned in sub-paragraph (2), (6) [^{F56}, (6ZA)] or (6A) occurring, or
 - (ii) a person becoming bound or entitled to acquire shares in the company as mentioned in sub-paragraph (7), but
 - (b) as the case may be—
 - (i) the relevant date for the purposes of sub-paragraph (2), (6) [^{F57}, (6ZA)] or (6A) does not fall during the period of 20 days beginning with the date on which the share option is exercised, or
 - (ii) the person does not become bound or entitled to acquire shares in the company by the end of the period of 20 days beginning with the date on which the share option is exercised,
- the exercise of the share option is to be treated as having had no effect.]
- (8) For the purposes of this paragraph a person is to be treated as obtaining control of a company if that person and others acting in concert together obtain control of it.]

Textual Amendments

- F48** Words in Sch. 4 para. 25A(1) substituted (6.4.2014) by [Finance Act 2014 \(c. 26\)](#), [Sch. 8 paras. 176\(2\), 204](#) (with [Sch. 8 paras. 205-215](#))
- F49** Word in Sch. 4 para. 25A(1) inserted (26.6.2020) by [Corporate Insolvency and Governance Act 2020 \(c. 12\)](#), s. 49(1), [Sch. 9 para. 25\(2\)\(a\)](#) (with ss. 2(2), 5(2))
- F50** Words in Sch. 4 para. 25A(6)(b) substituted (6.4.2014) by [Finance Act 2014 \(c. 26\)](#), [Sch. 8 paras. 176\(3\), 204](#) (with [Sch. 8 paras. 205-215](#))

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- F51** Sch. 4 para. 25A(6ZA) inserted (26.6.2020) by [Corporate Insolvency and Governance Act 2020 \(c. 12\)](#), s. 49(1), [Sch. 9 para. 25\(2\)\(b\)](#) (with ss. 2(2), 5(2))
- F52** Sch. 4 para. 25A(6A) inserted (6.4.2014) by [Finance Act 2014 \(c. 26\)](#), [Sch. 8 paras. 176\(4\)](#), 204 (with [Sch. 8 paras. 205-215](#))
- F53** Sch. 4 paras. 25A(7A)-(7F) inserted (6.4.2014) by [Finance Act 2014 \(c. 26\)](#), [Sch. 8 paras. 176\(5\)](#), 204 (with [Sch. 8 paras. 205-215](#))
- F54** Words in Sch. 4 para. 25A(7C)(b) inserted (26.6.2020) by [Corporate Insolvency and Governance Act 2020 \(c. 12\)](#), s. 49(1), [Sch. 9 para. 25\(2\)\(c\)](#) (with ss. 2(2), 5(2))
- F55** Word in Sch. 4 para. 25A(7E)(a) inserted (26.6.2020) by [Corporate Insolvency and Governance Act 2020 \(c. 12\)](#), s. 49(1), [Sch. 9 para. 25\(2\)\(d\)](#) (with ss. 2(2), 5(2))
- F56** Word in Sch. 4 para. 25A(7F)(a)(i) inserted (26.6.2020) by [Corporate Insolvency and Governance Act 2020 \(c. 12\)](#), s. 49(1), [Sch. 9 para. 25\(2\)\(e\)](#) (with ss. 2(2), 5(2))
- F57** Word in Sch. 4 para. 25A(7F)(b)(i) inserted (26.6.2020) by [Corporate Insolvency and Governance Act 2020 \(c. 12\)](#), s. 49(1), [Sch. 9 para. 25\(2\)\(e\)](#) (with ss. 2(2), 5(2))

PART 6 **U.K.**

EXCHANGE OF SHARE OPTIONS

Exchange of options on company reorganisation

- 26 (1) A CSOP scheme may provide that if—
- (a) there is a company reorganisation affecting a scheme company (that is, a company whose shares may be acquired by the exercise of share options obtained under the scheme: see paragraph 16), and
 - (b) a participant has obtained share options under the scheme which are to acquire shares of the scheme company (“the old options”),
- the participant may agree with the acquiring company to release the old options in consideration of the participant being granted new share options.
- (2) For the purposes of this paragraph there is a company reorganisation affecting a scheme company if another company (“the acquiring company”)—
- (a) obtains control of the scheme company—
 - (i) as a result of making a general offer to acquire the whole of the issued ordinary share capital of the scheme company which is made on a condition such that, if it is met, the person making the offer will have control of that company, or
 - (ii) as a result of making a general offer to acquire all the shares in the scheme company which are of the same class as those subject to the old options;
 - ^{F58}(b) obtains control of the scheme company as a result of a compromise or arrangement sanctioned by the court under section 899 ^{F59}or 901F] of the Companies Act 2006 (court sanction for compromise or arrangement);]
 - ^{F60}(ba) obtains control of the scheme company as a result of a non-UK company reorganisation arrangement which has become binding on the shareholders covered by it; or]
 - ^{F61}(c) becomes bound or entitled to acquire shares in the scheme company under sections 979 to 982 ^{F62}or 983 to 985] of the Companies Act 2006 (takeover offers: right of offeror to buy out minority shareholder ^{F63}etc)].]

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003, SCHEDULE 4 is up to date with all changes known to be in force on or before 09 June 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

- [^{F64}(2A) In sub-paragraph (2)(a)(i) the reference to the issued ordinary share capital of the scheme company does not include any capital already held by the person making the offer or a person connected with that person and in sub-paragraph (2)(a)(ii) the reference to the shares in the scheme company does not include any shares already held by the person making the offer or a person connected with that person.
- (2B) For the purposes of sub-paragraph (2)(a)(i) and (ii) it does not matter if the general offer is made to different shareholders by different means.]
- (3) A scheme that makes provision under sub-paragraph (1) must require the agreement referred to in that sub-paragraph to be made—
- (a) where control is obtained in the way set out in sub-paragraph (2)(a)(i) or (ii), within the period of 6 months beginning with the time when the acquiring company obtains control and any condition subject to which the offer is made is met,
 - (b) where control is obtained in the way set out in sub-paragraph (2)(b), within the period of 6 months beginning with the time when the court sanctions the compromise or arrangement, ^{F65} ...
- [^{F66}(ba) where control is obtained in the way set out in sub-paragraph (2)(ba), within the period of 6 months beginning with the date on which the non-UK company reorganisation arrangement becomes binding on the shareholders covered by it, and]
- (c) where sub-paragraph (2)(c) applies, within the period during which the acquiring company remains bound or entitled as mentioned in that provision.

Textual Amendments

- F58** Sch. 4 para. 26(2)(b) substituted (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments\) \(Taxes and National Insurance\) Order 2008 \(S.I. 2008/954\)](#), arts. 1(1), **33** (with art. 4)
- F59** Words in Sch. 4 para. 26(2)(b) inserted (26.6.2020) by [Corporate Insolvency and Governance Act 2020 \(c. 12\)](#), s. 49(1), **Sch. 9 para. 25(3)** (with ss. 2(2), 5(2))
- F60** Sch. 4 para. 26(2)(ba) inserted (6.4.2014) by [Finance Act 2014 \(c. 26\)](#), **Sch. 8 paras. 177(2)**, 204 (with [Sch. 8 paras. 205-215](#))
- F61** Sch. 4 para. 26(2)(c) substituted (1.10.2007) by [The Companies Act 2006 \(Commencement No. 3, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/2194\)](#), **Sch. 4 para. 100** (with art. 12)
- F62** Words in Sch. 4 para. 26(2)(c) inserted (17.7.2013) by [Finance Act 2013 \(c. 29\)](#), **Sch. 2 para. 30(2)(a)** (with [Sch. 2 para. 30\(4\)](#))
- F63** Word in Sch. 4 para. 26(2)(c) inserted (17.7.2013) by [Finance Act 2013 \(c. 29\)](#), **Sch. 2 para. 30(2)(b)** (with [Sch. 2 para. 30\(4\)](#))
- F64** Sch. 4 para. 26(2A)(2B) inserted (17.7.2013) by [Finance Act 2013 \(c. 29\)](#), **Sch. 2 para. 30(3)** (with [Sch. 2 para. 30\(4\)](#))
- F65** Word in Sch. 4 para. 26(3) omitted (6.4.2014) by virtue of [Finance Act 2014 \(c. 26\)](#), **Sch. 8 paras. 177(3)**, 204 (with [Sch. 8 paras. 205-215](#))
- F66** Sch. 4 para. 26(3)(ba) inserted (6.4.2014) by [Finance Act 2014 \(c. 26\)](#), **Sch. 8 paras. 177(3)**, 204 (with [Sch. 8 paras. 205-215](#))

Requirements about share options granted in exchange

- 27 (1) This paragraph applies to a scheme that makes provision under paragraph 26 (exchange of options on company reorganisation).

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- (2) The scheme must require the new share options to relate to shares in a company which—
- (a) is different from the company whose shares are subject to the old options, and
 - (b) is either the acquiring company itself or some other company within subparagraph (b) or (c) of paragraph 16 (shares must be ordinary shares of certain companies), namely—
 - (i) a company which has control of the scheme organiser, or
 - (ii) a company which is, or has control of a company which is, a member of a consortium owning either the scheme organiser or a company having control of the scheme organiser.

For this purpose the control in question may be through the medium of the acquiring company.
- (3) The scheme must also require the new share options to be equivalent to the old options.
- (4) For the new options to be regarded as equivalent to the old options—
- (a) the shares to which they relate must meet the conditions in paragraphs 16 to [F67]18] (types of share that may be used),
 - (b) they must be exercisable in the same manner as the old options and subject to the provisions of the scheme as it had effect immediately before the release of the old options,
 - (c) the total market value of the shares subject to the old options immediately before the release of those options by the participant must [F68]be substantially the same as] the total market value, immediately after the grant of the new options to the participant, of the shares subject to those options, and
 - (d) the total amount payable by the participant for the acquisition of shares under the new options must be [F69]substantially the same as] the total amount that would have been so payable under the old options.
- (5) For the purposes of the CSOP code, new share options granted under the terms of a provision included in a scheme under paragraph 26 are to be treated as having been granted at the time when the corresponding old options were granted.
- (6) This also applies for the purposes of the provisions of the scheme in their operation, after the grant of the new options, by virtue of a condition complying with subparagraph (4)(b).
- [F70](7) For the purposes of this paragraph the market value of shares subject to a restriction is to be determined as if they were not subject to the restriction.]
- [F71](8) For the purposes of this paragraph the market value of any shares is to be determined using a methodology agreed by Her Majesty's Revenue and Customs.]

Textual Amendments

F67 Word in Sch. 4 para. 27(4)(a) substituted (with effect in accordance with s. 16(8) of the amending Act) by Finance (No. 2) Act 2023 (c. 30), s. 16(5) (with s. 16(9)(10))

F68 Words in Sch. 4 para. 27(4)(c) substituted (6.4.2014) by Finance Act 2014 (c. 26), Sch. 8 paras. 178(2)(a), 204 (with Sch. 8 paras. 205-215)

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003, SCHEDULE 4 is up to date with all changes known to be in force on or before 09 June 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

- F69** Words in Sch. 4 para. 27(4)(d) substituted (6.4.2014) by Finance Act 2014 (c. 26), Sch. 8 paras. 178(2)(b), 204 (with Sch. 8 paras. 205-215)
- F70** Sch. 4 para. 27(7) inserted (with effect in accordance with Sch. 2 para. 77 of the amending Act) by Finance Act 2013 (c. 29), Sch. 2 para. 73
- F71** Sch. 4 para. 27(8) inserted (6.4.2014) by Finance Act 2014 (c. 26), Sch. 8 paras. 178(3), 204 (with Sch. 8 paras. 205-215)

Modifications etc. (not altering text)

- C1** Sch. 4 para. 27(5) excluded (24.9.2010 with effect in accordance with s. 39(3)-(9) of the amending Act) by Finance Act 2010 (c. 13), s. 39(8)

[^{F72}PART 7 U.K.]

NOTIFICATION OF SCHEMES, ANNUAL RETURNS AND ENQUIRIES

Textual Amendments

- F72** Sch. 4 Pt. 7 substituted (6.4.2014) by Finance Act 2014 (c. 26), Sch. 8 paras. 179, 204 (with Sch. 8 paras. 205-215)

Notice of scheme to be given to HMRC

- 28A (1) For a CSOP scheme to be a Schedule 4 CSOP scheme, notice of the scheme must be given to Her Majesty's Revenue and Customs ("HMRC").
- (2) The notice must—
- be given by the scheme organiser,
 - contain, or be accompanied by, such information as HMRC may require, and
 - contain a declaration within sub-paragraph (3) made by such persons as HMRC may require.
- (3) A declaration within this sub-paragraph is a declaration—
- that the requirements of Parts 2 to 6 of this Schedule are met in relation to the scheme, and
 - if the declaration is made after the first date on which share options are granted under the scheme ("the first grant date"), that those requirements—
 - were met in relation to those grants of share options, and
 - have otherwise been met in relation to the scheme at all times on or after the first grant date when share options granted under the scheme are outstanding.
- (4) If notice is given under this paragraph in relation to a CSOP scheme, for the purposes of the CSOP code the scheme is to be a Schedule 4 CSOP scheme at all times on and after the relevant date (but not before that date).
- (5) But if the notice is given after the initial notification deadline, the scheme is to be a Schedule 4 CSOP scheme only from the beginning of the relevant tax year.
- [^{F73}5A) Sub-paragraph (5) does not apply if the scheme organiser satisfies HMRC (or, on an appeal under paragraph 28K, the tribunal) that there is a reasonable excuse for the failure to give notice on or before the initial notification deadline.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003, SCHEDULE 4 is up to date with all changes known to be in force on or before 09 June 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

- (5B) Paragraph 28C(9) (what constitutes a reasonable excuse) applies for the purposes of sub-paragraph (5A).
- (5C) Where HMRC are required under sub-paragraph (5A) to consider whether there was a reasonable excuse, HMRC must notify the scheme organiser of their decision within the period of 45 days beginning with the day on which HMRC received the scheme organiser's request to consider the excuse.
- (5D) Where HMRC are required to notify the scheme organiser as specified in sub-paragraph (5C) but do not do so—
- (a) HMRC are to be treated as having decided that there was no reasonable excuse, and
 - (b) HMRC must notify the scheme organiser of the decision which they are treated as having made.]
- (6) For the purposes of this Part—
- “the initial notification deadline” is 6 July in the tax year following that in which the first grant date falls,
- “outstanding”, in relation to a share option, means that the option—
- (a) has not been exercised, but
 - (b) is capable of being exercised in accordance with the scheme (whether on the meeting of any condition or otherwise),
- “the relevant date” is—
- (a) the date on which the declaration within sub-paragraph (3) is made, or
 - (b) if that declaration is made after the first grant date, the first grant date, and
- “the relevant tax year” is—
- (a) the tax year in which the notice under this paragraph is given, or
 - (b) if that notice is given on or before 6 July in that tax year, the preceding tax year.
- (7) Sub-paragraph (4) is subject to the following paragraphs of this Part.

Textual Amendments

F73 Sch. 4 para. 28A(5A)-(5D) inserted (with effect in accordance with Sch. 3 para. 5(4) of the amending Act) by Finance Act 2016 (c. 24), Sch. 3 para. 5(2)

Annual returns

- 28B (1) This paragraph applies if notice is given in relation to a CSOP scheme under paragraph 28A.
- (2) The scheme organiser must give to HMRC a return for the tax year in which the relevant date falls and for each subsequent tax year (subject to sub-paragraph (9)).
 - (3) If paragraph 28A(5) applies in relation to the scheme, in sub-paragraph (2) the reference to the tax year in which the relevant date falls is to be read as a reference to the relevant tax year.
 - (4) A return for a tax year must—

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- (a) contain, or be accompanied by, such information as HMRC may require, and
 - (b) be given on or before 6 July in the following tax year.
- (5) The information which may be required under sub-paragraph (4)(a) includes (in particular) information to enable HMRC to determine the liability to tax, including capital gains tax, of—
 - (a) any person who has participated in the scheme, or
 - (b) any other person whose liability to tax the operation of the scheme is relevant to.
- (6) If during a tax year—
 - (a) an alteration is made in a key feature of the scheme, or
 - (b) variations are made under a provision made under paragraph 22(3) to take account of a variation in any share capital,the return for the tax year must contain a declaration within sub-paragraph (7) made by such persons as HMRC may require.
- (7) A declaration within this sub-paragraph is a declaration, as the case may be—
 - (a) that the alteration has, or
 - (b) that the variations have,not caused the requirements of Parts 2 to 6 of this Schedule not to be met in relation to the scheme.
- (8) For the purposes of sub-paragraph (6)(a) a “key feature” of a scheme is a provision of the scheme which is necessary in order for the requirements of Parts 2 to 6 of this Schedule to be met in relation to the scheme.
- (9) A return is not required for any tax year following that in which the termination condition is met in relation to the scheme.
- (10) For the purposes of this Part “the termination condition” is met in relation to a scheme when—
 - (a) all share options granted under the scheme—
 - (i) have been exercised, or
 - (ii) are no longer capable of being exercised in accordance with the scheme (because, for example, they have lapsed or been cancelled), and
 - (b) no more share options will be granted under the scheme.
- (11) If the scheme organiser becomes aware that—
 - (a) anything which should have been included in, or should have accompanied, a return for a tax year was not included in, or did not accompany, the return,
 - (b) anything which should not have been included in, or should not have accompanied, a return for a tax year was included in, or accompanied, the return, or
 - (c) any other error or inaccuracy has occurred in relation to a return for a tax year,the scheme organiser must give an amended return correcting the position to HMRC without delay.

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- 28C (1) This paragraph applies if the scheme organiser fails to give a return for a tax year (containing, or accompanied by, all required information and declarations) on or before the date mentioned in paragraph 28B(4)(b) (“the date for delivery”).
- (2) The scheme organiser is liable for a penalty of £100.
- (3) If the scheme organiser's failure continues after the end of the period of 3 months beginning with the date for delivery, the scheme organiser is liable for a further penalty of £300.
- (4) If the scheme organiser's failure continues after the end of the period of 6 months beginning with the date for delivery, the scheme organiser is liable for a further penalty of £300.
- (5) The scheme organiser is liable for a further penalty under this sub-paragraph if—
- (a) the scheme organiser's failure continues after the end of the period of 9 months beginning with the date for delivery,
 - (b) HMRC decide that such a penalty should be payable, and
 - (c) HMRC give notice to the scheme organiser specifying the period in respect of which the penalty is payable.
- (The scheme organiser may be liable for more than one penalty under this sub-paragraph.)
- (6) The penalty under sub-paragraph (5) is £10 for each day that the failure continues during the period specified in the notice under sub-paragraph (5)(c).
- (7) The period specified in the notice under sub-paragraph (5)(c)—
- (a) may begin earlier than the date on which the notice is given, but
 - (b) may not begin until after the end of the period mentioned in sub-paragraph (5)(a) or, if relevant, the end of any period specified in any previous notice under sub-paragraph (5)(c) given in relation to the failure.
- (8) Liability for a penalty under this paragraph does not arise if the scheme organiser satisfies HMRC (or, on an appeal under paragraph 28K, the tribunal) that there is a reasonable excuse for its failure.
- (9) For the purposes of sub-paragraph (8)—
- (a) an insufficiency of funds is not a reasonable excuse, unless attributable to events outside the scheme organiser's control,
 - (b) where the scheme organiser relies on any other person to do anything, that is not a reasonable excuse unless the scheme organiser took reasonable care to avoid the failure, and
 - (c) where the scheme organiser had a reasonable excuse for the failure but the excuse ceased, the scheme organiser is to be treated as having continued to have the excuse if the failure is remedied without unreasonable delay after the excuse ceased.

Notices and returns to be given electronically etc

- 28D (1) A notice under paragraph 28A, and any information accompanying the notice, must be given electronically.
- (2) A return under paragraph 28B, and any information accompanying the return, must be given electronically.

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- (3) But, if HMRC consider it appropriate to do so, HMRC may allow the scheme organiser to give a notice or return or any accompanying information in another way; and, if HMRC do so, the notice, return or information must be given in that other way.
- (4) The Commissioners for Her Majesty's Revenue and Customs—
- (a) must prescribe how notices, returns and accompanying information are to be given electronically;
 - (b) may make different provision for different cases or circumstances.
- 28E (1) This paragraph applies if a return under paragraph 28B, or any information accompanying such a return—
- (a) is given otherwise than in accordance with paragraph 28D, or
 - (b) contains a material inaccuracy—
 - (i) which is careless or deliberate, or
 - (ii) which is not corrected as required by paragraph 28B(11).
- (2) The scheme organiser is liable for a penalty of an amount decided by HMRC.
- (3) The penalty must not exceed £5,000.
- (4) For the purposes of sub-paragraph (1)(b)(i) an inaccuracy is careless if it is due to a failure by the scheme organiser to take reasonable care.

Enquiries

- 28F (1) This paragraph applies if notice is given in relation to a CSOP scheme under paragraph 28A.
- (2) HMRC may enquire into the scheme if HMRC give notice to the scheme organiser of HMRC's intention to do so no later than—
- (a) 6 July in the tax year following that in which the initial notification deadline falls, or
 - (b) if the notice under paragraph 28A is given after the initial notification deadline, 6 July in the second tax year following the relevant tax year.
- (3) HMRC may enquire into the scheme if HMRC give notice to the scheme organiser of HMRC's intention to do so no later than 12 months after the date on which a declaration within paragraph 28B(7) is given to HMRC.
- (4) Sub-paragraph (5) applies if (at any time) HMRC have reasonable grounds for believing that requirements of Parts 2 to 6 of this Schedule—
- (a) are not met in relation to the scheme, or
 - (b) have not been met in relation to the scheme.
- (5) HMRC may enquire into the scheme if HMRC give notice to the scheme organiser of HMRC's intention to do so.
- (6) Notice may be given, and an enquiry may be conducted, under sub-paragraph (2), (3) or (5) even though the termination condition is met in relation to the scheme.
- 28G (1) An enquiry under paragraph 28F(2), (3) or (5) is completed when HMRC give the scheme organiser a notice (a “closure notice”) stating—
- (a) that HMRC have completed the enquiry, and
 - (b) that—

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- (i) paragraph 28H is to apply,
 - (ii) paragraph 28I is to apply, or
 - (iii) neither paragraph 28H nor paragraph 28I is to apply.
- (2) If the scheme organiser receives notice under paragraph 28F(2), (3) or (5), the scheme organiser may make an application to the tribunal for a direction requiring a closure notice for the enquiry to be given within a specified period.
- (3) The application is to be subject to the relevant provisions of Part 5 of TMA 1970 (see, in particular, section 48(2)(b) of that Act).
- (4) The tribunal must give a direction unless satisfied that HMRC have reasonable grounds for not giving the closure notice within the specified period.
- 28H (1) This paragraph applies if HMRC decide—
- (a) that requirements of Parts 2 to 6 of this Schedule—
 - (i) are not met in relation to the scheme, or
 - (ii) have not been met in relation to the scheme, and
 - (b) that the situation is, or was, so serious that this paragraph should apply.
- (2) If this paragraph applies—
- (a) the scheme is not to be a Schedule 4 CSOP scheme with effect from—
 - (i) such relevant time as is specified in the closure notice, or
 - (ii) if no relevant time is specified, the time of the giving of the closure notice, and
 - (b) the scheme organiser is liable for a penalty of an amount decided by HMRC.
- (3) The penalty under sub-paragraph (2)(b) must not exceed an amount equal to twice HMRC's reasonable estimate of—
- (a) the total income tax for which persons who have been granted share options under the scheme have not been liable, or will not be liable in the future, and
 - (b) the total contributions under Part 1 of SSCBA 1992 or SSCB(NI)A 1992 for which any persons have not been liable, or will not be liable in the future,
- in consequence of the scheme having been a Schedule 4 CSOP scheme at any relevant time before the time mentioned in sub-paragraph (2)(a)(i) or (ii) (as the case may be).
- (4) In this paragraph “relevant time” means any time before the giving of the closure notice when requirements of Parts 2 to 6 of this Schedule were not met in relation to the scheme.
- 28I (1) This paragraph applies if HMRC decide—
- (a) that requirements of Parts 2 to 6 of this Schedule—
 - (i) are not met in relation to the scheme, or
 - (ii) have not been met in relation to the scheme, but
 - (b) that the situation is not, or was not, so serious that paragraph 28H should apply.
- (2) If this paragraph applies, the scheme organiser—
- (a) is liable for a penalty of an amount decided by HMRC, and
 - (b) must, no later than 90 days after the relevant day, secure that the requirements of Parts 2 to 6 of this Schedule are met in relation to the scheme.
- (3) The penalty under sub-paragraph (2)(a) must not exceed £5,000.

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- (4) In sub-paragraph (2)(b) “the relevant day” means—
- (a) the last day of the period in which notice of an appeal under paragraph 28K(2)(b) may be given, or
 - (b) if notice of such an appeal is given, the day on which the appeal is determined or withdrawn.
- (5) Sub-paragraph (2)(b) does not apply if the termination condition was met in relation to the scheme before the closure notice was given or is met before the end of the 90 day period mentioned in sub-paragraph (2)(b).
- (6) If the scheme organiser fails to comply with sub-paragraph (2)(b), HMRC may give the scheme organiser a notice stating that that is the case (a “default notice”).
- (7) If the scheme organiser is given a default notice—
- (a) the scheme is not to be a Schedule 4 CSOP scheme with effect from—
 - (i) such relevant time as is specified in the default notice, or
 - (ii) if no relevant time is specified, the time of the giving of the default notice, and
 - (b) the scheme organiser is liable for a further penalty of an amount decided by HMRC.
- (8) The penalty under sub-paragraph (7)(b) must not exceed an amount equal to twice HMRC's reasonable estimate of—
- (a) the total income tax for which persons who have been granted share options under the scheme have not been liable, or will not be liable in the future, and
 - (b) the total contributions under Part 1 of SSCBA 1992 or SSCB(NI)A 1992 for which any persons have not been liable, or will not be liable in the future,
- in consequence of the scheme having been a Schedule 4 CSOP scheme at any relevant time before the time mentioned in sub-paragraph (7)(a)(i) or (ii) (as the case may be).
- (9) In this paragraph “relevant time” means any time before the giving of the default notice when requirements of Parts 2 to 6 of this Schedule were not met in relation to the scheme.

Assessment of penalties

- 28J (1) This paragraph applies if the scheme organiser is liable for a penalty under this Part.
- (2) HMRC must assess the penalty and notify the scheme organiser of the assessment.
- (3) Subject to sub-paragraphs (4) and (5), the assessment must be made no later than 12 months after the date on which the scheme organiser becomes liable for the penalty.
- (4) In the case of a penalty under paragraph 28E(1)(b), the assessment must be made no later than—
- (a) 12 months after the date on which HMRC become aware of the inaccuracy, and
 - (b) 6 years after the date on which the scheme organiser becomes liable for the penalty.
- (5) In the case of a penalty under paragraph 28H(2)(b) or 28I(2)(a) or (7)(b) where notice of appeal is given under paragraph 28K(2) or (3), the assessment must be made no later than 12 months after the date on which the appeal is determined or withdrawn.

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- (6) A penalty payable under this Part must be paid—
- (a) no later than 30 days after the date on which the notice under sub-paragraph (2) is given to the scheme organiser, or
 - (b) if notice of appeal is given against the penalty under paragraph 28K(1) or (4), no later than 30 days after the date on which the appeal is determined or withdrawn.
- (7) The penalty may be enforced as if it were corporation tax or, if the scheme organiser is not within the charge to corporation tax, income tax charged in an assessment and due and payable.
- (8) Sections 100 to 103 of TMA 1970 do not apply to a penalty under this Part.

Appeals

- ~~28K~~^{28K}(A1) The scheme organiser may appeal against a decision of HMRC under paragraph 28A(5A) that there was no reasonable excuse for the failure to give notice on or before the initial notification deadline.]
- (1) The scheme organiser may appeal against a decision of HMRC that the scheme organiser is liable for a penalty under paragraph 28C or 28E.
 - (2) The scheme organiser may appeal against—
 - (a) a decision of HMRC mentioned in paragraph 28H(1) or a decision of HMRC to specify, or not to specify, a relevant time in the closure notice;
 - (b) a decision of HMRC mentioned in paragraph 28I(1).
 - (3) The scheme organiser may appeal against a decision of HMRC—
 - (a) to give the scheme organiser a default notice under paragraph 28I;
 - (b) to specify, or not to specify, a relevant time in the default notice.
 - (4) The scheme organiser may appeal against a decision of HMRC as to the amount of a penalty payable by the scheme organiser under this Part.
 - (5) Notice of appeal must be given to HMRC no later than 30 days after the date on which—
 - [^{F75}(za) in the case of an appeal under sub-paragraph (A1), notice of HMRC's decision is given to the scheme organiser;]
 - (a) in the case of an appeal under sub-paragraph (1) or (4), the notice under paragraph 28J(2) is given to the scheme organiser;
 - (b) in the case of an appeal under sub-paragraph (2), the closure notice is given;
 - (c) in the case of an appeal under sub-paragraph (3), the default notice is given.
 - (6) On an appeal under sub-paragraph [^{F76}(A1),] (1) or (3)(a) which is notified to the tribunal, the tribunal may affirm or cancel the decision.
 - (7) On an appeal under sub-paragraph (2) or (3)(b) which is notified to the tribunal, the tribunal may—
 - (a) affirm or cancel the decision, or
 - (b) substitute for the decision another decision which HMRC had power to make.

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- (8) On an appeal under sub-paragraph (4) which is notified to the tribunal, the tribunal may—
- (a) affirm the amount of the penalty decided, or
 - (b) substitute another amount for that amount.
- (9) Subject to this paragraph and paragraph 28J, the provisions of Part 5 of TMA 1970 relating to appeals have effect in relation to an appeal under this paragraph as they have effect in relation to an appeal against an assessment to corporation tax or, if the scheme organiser is not within the charge to corporation tax, income tax.]

Textual Amendments

- F74** Sch. 4 para. 28K(A1) inserted (with effect in accordance with Sch. 3 para. 5(4) of the amending Act) by Finance Act 2016 (c. 24), **Sch. 3 para. 5(3)(a)**
- F75** Sch. 4 para. 28K(5)(za) inserted (with effect in accordance with Sch. 3 para. 5(4) of the amending Act) by Finance Act 2016 (c. 24), **Sch. 3 para. 5(3)(b)**
- F76** Word in Sch. 4 para. 28K(6) inserted (with effect in accordance with Sch. 3 para. 5(4) of the amending Act) by Finance Act 2016 (c. 24), **Sch. 3 para. 5(3)(c)**

PART 8 U.K.

SUPPLEMENTARY PROVISIONS

Power to require information

- 33 [F77(1) An officer of Revenue and Customs may by notice require a person to provide the officer with any information—
- (a) which the officer reasonably requires for the performance of any functions of Her Majesty's Revenue and Customs or an officer of Revenue and Customs under the CSOP code, and
 - (b) which the person to whom the notice is addressed has or can reasonably obtain.]
- (2) The power conferred by this paragraph extends, in particular, to—
- (a) information to enable [F78 an officer of Revenue and Customs]—
 - [F79(i) to check anything contained in a notice under paragraph 28A or a return under paragraph 28B or to check any information accompanying such a notice or return, or”, and]
 - (ii) to determine the liability to tax, including capital gains tax, of any person who has participated in a scheme [F80 or any other person whose liability to tax the operation of a scheme is relevant to], and
 - (b) information about the administration of a scheme and any alteration of the terms of a scheme.
- (3) The notice must require the information to be provided within a specified time, which must not end earlier than 3 months after the date when the notice is given.

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Textual Amendments

- F77** Sch. 4 para. 33(1) substituted (6.4.2014) by [Finance Act 2014 \(c. 26\)](#), **Sch. 8 paras. 180(2)**, 204 (with [Sch. 8 paras. 205-215](#))
- F78** Words in Act substituted (18.4.2005) by [Commissioners for Revenue and Customs Act 2005 \(c. 11\)](#), s. 53(1), **Sch. 4 para. 102(1)**; S.I. 2005/1126, art. 2(2)(h)
- F79** Sch. 4 para. 33(2)(a)(i) substituted (6.4.2014) by [Finance Act 2014 \(c. 26\)](#), **Sch. 8 paras. 180(3)(a)**, 204 (with [Sch. 8 paras. 205-215](#))
- F80** Words in Sch. 4 para. 33(2)(a)(ii) inserted (6.4.2014) by [Finance Act 2014 \(c. 26\)](#), **Sch. 8 paras. 180(3)(b)**, 204 (with [Sch. 8 paras. 205-215](#))

Jointly owned companies

- 34 (1) This paragraph applies for the purposes of the provisions of the CSOP code relating to group schemes.
- (2) Each joint owner of a jointly owned company is to be treated as controlling every company within sub-paragraph (3).
- (3) The companies within this sub-paragraph are—
- the jointly owned company, and
 - any company controlled by that company.
- (4) However, no company within sub-paragraph (3) may be—
- a constituent company in more than one group scheme, or
 - a constituent company in a particular group scheme if another company within that sub-paragraph is a constituent company in a different group scheme.
- (5) In this paragraph a “jointly owned company” means a company which (apart from sub-paragraph (2)) is not controlled by any one person and—
- of which 50% of the issued share capital is owned by one person and 50% by another, or
 - which is otherwise controlled by two persons taken together.
- (6) In this paragraph “joint owner” means one of the persons mentioned in sub-paragraph (5)(a) or (b).

Meaning of “associated company”

- 35 (1) For the purposes of the CSOP code one company is an “associated company” of another company at a given time if, at that time or at any other time within one year previously—
- one has control of the other, or
 - both are under the control of the same person or persons.
- (2) For the purposes of sub-paragraph (1) the question whether a person controls a company is to be determined in accordance with [^{F81}sections 450 and 451 of CTA 2010].

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Textual Amendments

F81 Words in Sch. 4 para. 35(2) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), [Sch. 1 para. 398\(4\)](#) (with [Sch. 2](#))

[^{F82}Non-UK company reorganisation arrangements

Textual Amendments

F82 [Sch. 4 para. 35ZA](#) and cross-heading inserted (6.4.2014) by [Finance Act 2014 \(c. 26\)](#), [Sch. 8 paras. 181, 204](#) (with [Sch. 8 paras. 205-215](#))

- 35ZA (1) For the purposes of the CSOP code a “non-UK company reorganisation arrangement” is an arrangement made in relation to a company under the law of a territory outside the United Kingdom—
- (a) which gives effect to a reorganisation of the company's share capital by the consolidation of shares of different classes, or by the division of shares into shares of different classes, or by both of those methods, and
 - (b) which is approved by a resolution of members of the company.
- (2) A resolution does not count for the purposes of sub-paragraph (1)(b) unless the members who vote in favour of approving the arrangement represent more than 50% of the total voting rights of all the members having the right to vote on the issue.]

[^{F83}Retirement age]

Textual Amendments

F83 [Sch. 4 para. 35A](#) and cross-heading inserted (10.7.2003) by [Finance Act 2003 \(c. 14\)](#), [Sch. 21 para. 15\(2\)](#)

^{F84}35A

Textual Amendments

F84 [Sch. 4 para. 35A](#) omitted (17.7.2013) by virtue of [Finance Act 2013 \(c. 29\)](#), [Sch. 2 para. 15](#) (with [Sch. 2 para. 17](#))

Minor definitions

- 36 (1) In the CSOP code—
- “company” means a body corporate;
 - “market value” has the same meaning as it has for the purposes of TCGA 1992 by virtue of Part 8 of that Act.
- (2) For the purposes of the CSOP code a company is a member of a consortium owning another company if it is one of a number of companies—
- (a) which between them beneficially own not less than 75% of the other company's ordinary share capital, and

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(b) each of which beneficially owns not less than 5% of that capital.

[^{F85}(3) For the purposes of the CSOP code—

- (a) shares are subject to a “restriction” if there is any contract, agreement, arrangement or condition which makes provision to which any of subsections (2) to (4) of section 423 (restricted securities) would apply if the references in those subsections to the employment-related securities were to the shares, and
- (b) the “restriction” is that provision.]

Textual Amendments

F85 Sch. 4 para. 36(3) inserted (with effect in accordance with Sch. 2 para. 77 of the amending Act) by Finance Act 2013 (c. 29), **Sch. 2 para. 75**

Index of defined expressions

37 In the CSOP code the following expressions are defined or otherwise explained by the provisions indicated below:

F86	F86
...	...
associated company	paragraph 35(1)
child	[^{F87} section 721(6)]
close company	[^{F88} section 989 of ITA 2007], (and see paragraph 9(4))
company	paragraph 36(1)
connected person	section 718
constituent company	paragraph 3(3)
control	section 719 (and see paragraph 35(2))
the CSOP code	section 521(3)
CSOP scheme	section 521(4)
distribution	[^{F89} section 989 of ITA 2007]
eligible shares (in Part 4 of this Schedule)	paragraph 15(2)
employee and employment	section 4
group scheme	paragraph 3(2) (and see paragraph 34)
F90	F90
...	...
market value	paragraph 36(1)
member of a consortium	paragraph 36(2)

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[^{F91} non-UK company reorganisation arrangement	paragraph 35ZA]
notice	[^{F92} section 989 of ITA 2007]
the options (in relation to a participant)	paragraph 2(2)
ordinary share capital	[^{F93} section 989 of ITA 2007]
participant	paragraph 2(2)
participate	paragraph 2(2)
personal representatives	[^{F94} section 989 of ITA 2007]
recognised stock exchange	[^{F95} section 1005 of ITA 2007]
[^{F96} restriction (in relation to shares)	paragraph 36(3)]
[^{F91} Schedule 4 CSOP scheme	paragraph 1 and Part 7 of this Schedule]
the scheme organiser	paragraph 2(2)
share option	section 521(4)
shares	section 521(4)
[^{F97} tribunal	section 989 of ITA 2007]
F98	F98
...	...
F99	F99
...	...

Textual Amendments

- F86** Words in Sch. 4 para. 37 omitted (6.4.2014) by virtue of [Finance Act 2014 \(c. 26\)](#), **Sch. 8 paras. 182(a), 204** (with [Sch. 8 paras. 205-215](#))
- F87** Words in Sch. 4 para. 37 substituted (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 1 para. 449(a)** (with [Sch. 2](#))
- F88** Words in Sch. 4 para. 37 substituted (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 1 para. 449(b)** (with [Sch. 2](#))
- F89** Words in Sch. 4 para. 37 substituted (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 1 para. 449(c)** (with [Sch. 2](#))
- F90** Words in Sch. 4 para. 37 repealed (18.4.2005) by [Commissioners for Revenue and Customs Act 2005 \(c. 11\)](#), s. 53(1), [Sch. 4 para. 123\(f\)](#), **Sch. 5**; S.I. 2005/1126, art. 2(2)(h)(i)
- F91** Words in Sch. 4 para. 37 inserted (6.4.2014) by [Finance Act 2014 \(c. 26\)](#), **Sch. 8 paras. 182(b), 204** (with [Sch. 8 paras. 205-215](#))
- F92** Words in Sch. 4 para. 37 substituted (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 1 para. 449(d)** (with [Sch. 2](#))
- F93** Words in Sch. 4 para. 37 substituted (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 1 para. 449(e)** (with [Sch. 2](#))
- F94** Words in Sch. 4 para. 37 substituted (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 1 para. 449(f)** (with [Sch. 2](#))
- F95** Words in Sch. 4 para. 37 substituted (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 1 para. 449(g)** (with [Sch. 2](#))

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003, SCHEDULE 4 is up to date with all changes known to be in force on or before 09 June 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

- F96** Words in Sch. 4 para. 37 inserted (with effect in accordance with Sch. 2 para. 77 of the amending Act) by [Finance Act 2013 \(c. 29\)](#), [Sch. 2 para. 76](#)
- F97** Words in Sch. 4 para. 37 inserted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), [Sch. 1 para. 351\(3\)](#)
- F98** Words in Sch. 4 para. 37 omitted (1.4.2009) by virtue of [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), [Sch. 1 para. 351\(2\)](#)
- F99** Words in Sch. 4 para. 37 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 1 para. 449\(h\)](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

Changes to legislation:

Income Tax (Earnings and Pensions) Act 2003, SCHEDULE 4 is up to date with all changes known to be in force on or before 09 June 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.

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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. 452(2)(aa) inserted by [2013 c. 29 Sch. 23 para. 11](#)
- s. 707A inserted by [2024 c. 3 s. 36\(4\)](#)