



Finance Act 1990

1990 CHAPTER 29

PART IV

MISCELLANEOUS AND GENERAL

Ports levy

117 Levy on employee securities

- (1) This section applies where securities of a company are disposed of for no consideration, or for a consideration less than their market value, to—
- (a) directors or employees of the company or of another company which is a wholly-owned subsidiary of the company,
 - (b) the trustees of a share option scheme or profit sharing scheme approved under Schedule 9 to the Taxes Act 1988, or
 - (c) the trustees of trusts to which section 86 of the Inheritance Tax Act 1984 applies and which do not permit any of the settled property to be applied otherwise than for the benefit of—
 - (i) persons of a class defined by reference to employment by, or the holding of office with, the company or another company which is a wholly-owned subsidiary of the company, or
 - (ii) persons of a class defined by reference to marriage or relationship to, or dependence on, persons of that class;and in this subsection “wholly-owned subsidiary” shall be construed in accordance with section 736 of the Companies Act 1985.
- (2) Where this section applies, the market value of the securities shall for the purposes of section 116 above be taken to be reduced—
- (a) if no consideration is given for the securities, to nil, or
 - (b) otherwise, to the amount of the consideration given for the securities, or as nearly to nil, or that amount, as is permitted under subsection (3) below.
- (3) A reduction under subsection (2) above shall not exceed the difference between—

Status: This is the original version (as it was originally enacted).

- (a) three per cent. of the aggregate of the amounts on which levy is chargeable (ignoring any reduction under subsection (2) above) in the case of the disposal in question and any other disposals of securities of the company made on or before the day of that disposal, and
- (b) the amount of any reductions under subsection (2) above in the case of the other disposals.