

Status: Point in time view as at 06/04/2014.

Changes to legislation: Taxation of Chargeable Gains Act 1992, Part 3 is up to date with all changes known to be in force on or before 14 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)

SCHEDULES

[^{F1}SCHEDULE 7D

^{F1} ... SHARE SCHEMES AND SHARE INCENTIVES

Textual Amendments

- F1** Sch. 7D inserted (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 6 para. 221** (with Sch. 7)
- F1** Word in Sch. 7D heading omitted (6.4.2014) by virtue of [Finance Act 2014 \(c. 26\)](#), **Sch. 8 paras. 40, 89** (with Sch. 8 paras. 90-96)

PART 3

[^{F2}SCHEDULE 4]CSOP SCHEMES

Textual Amendments

- F2** Words in Sch. 7D Pt. 3 heading substituted (6.4.2014) by [Finance Act 2014 \(c. 26\)](#), **Sch. 8 paras. 186, 204** (with Sch. 8 paras. 205-215)

Introductory

- 11 (1) This Part of this Schedule forms part of the CSOP code (see section 521 of ITEPA 2003 (^{F3}... CSOP schemes)).
- (2) Accordingly, expressions used in this Part of this Schedule and contained in the index at the end of Schedule 4 to that Act (^{F4}... CSOP schemes) have the meaning indicated by the index.
- (3) This Part of this Schedule applies where—
- (a) a share option (“the option”) has been granted to an individual—
 - (i) in accordance with the provisions of [^{F5}a Schedule 4]CSOP scheme, and
 - (ii) by reason of the individual’s office or employment as a director or employee of a company, and
 - (b) shares (“the relevant shares”) are acquired by the exercise of the option.
- (4) The company mentioned in sub-paragraph (3)(a)(ii) may be—
- (a) the company whose shares are the subject of the option, or
 - (b) some other company.

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Textual Amendments

- F3** Word in Sch. 7D para. 11(1) omitted (6.4.2014) by [Finance Act 2014 \(c. 26\)](#), Sch. 8 paras. 187(2), 204 (with Sch. 8 paras. 205-215)
- F4** Word in Sch. 7D para. 11(2) omitted (6.4.2014) by [Finance Act 2014 \(c. 26\)](#), Sch. 8 paras. 187(2), 204 (with [Sch. 8 paras. 205-215](#))
- F5** Words in Sch. 7D para. 11(3)(a)(i) substituted (6.4.2014) by [Finance Act 2014 \(c. 26\)](#), Sch. 8 paras. 187(3), 204 (with [Sch. 8 paras. 205-215](#))

Relief where income tax charged in respect of grant of option

- 12 (1) This paragraph applies where an amount (the “employment income amount”) counted as employment income of the individual under section 526 of ITEPA 2003 (charge where option granted at a discount) in respect of the option.
- (2) For the purposes of section 38(1)(a) (acquisition and disposal costs etc.), that part of the employment income amount which is attributable to the relevant shares shall be treated as consideration given for the acquisition of the relevant shares.
- (3) This paragraph also applies where the individual was chargeable to income tax on an amount in respect of the option under—
- (a) subsection (6) of section 185 of ICTA (as it had effect before 1st January 1992),
 - (b) subsection (6A) of that section (as it had effect in relation to options obtained on or after 1st January 1992 but before 29th April 1996), or
 - (c) subsection (6) of that section (as it had effect in relation to options obtained on or after 29th April 1996);
- and in such a case the “employment income amount” means the amount on which the individual was so chargeable.
- (4) This paragraph applies whether or not—
- (a) the exercise of the option is in accordance with the provisions of the CSOP scheme, or
 - (b) the CSOP scheme is [^{F6}a Schedule 4 CSOP scheme] at the time of the exercise.

Textual Amendments

- F6** Words in Sch. 7D para. 12(4)(b) substituted (6.4.2014) by [Finance Act 2014 \(c. 26\)](#), Sch. 8 paras. 188, 204 (with [Sch. 8 paras. 205-215](#))

Market value rule not to apply

- 13 (1) This paragraph applies where—
- (a) the individual exercises the option in accordance with the provisions of the CSOP scheme at a time when the scheme is [^{F7}a Schedule 4 CSOP scheme], and
 - (b) the condition in section 524(2) of ITEPA 2003 (no charge in respect of exercise of option) is met.

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- (2) Section 17(1) (disposals and acquisitions treated as made at market value) shall not apply in calculating the consideration for—
- (a) the individual's acquisition of the relevant shares by the exercise of the option, or
 - (b) any corresponding disposal of the relevant shares to the individual.
- (3) Sub-paragraph (2) also applies where the option is exercised at a time when the scheme is [^{F8}a Schedule 4 CSOP scheme] in accordance with provision included in the scheme by virtue of paragraph 25 of Schedule 4 to ITEPA 2003 (exercise of options: death); and references in that sub-paragraph to the individual are to be read accordingly.]

Textual Amendments

- F7** Words in Sch. 7D para. 13(1)(a) substituted (6.4.2014) by [Finance Act 2014 \(c. 26\)](#), Sch. 8 paras. 189, 204 (with [Sch. 8 paras. 205-215](#))
- F8** Words in Sch. 7D para. 13(3) substituted (6.4.2014) by [Finance Act 2014 \(c. 26\)](#), Sch. 8 paras. 189, 204 (with [Sch. 8 paras. 205-215](#))

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