



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 7

[^{F1}EMPLOYMENT INCOME: INCOME AND EXEMPTIONS RELATING TO SECURITIES]

[^{F2}CHAPTER 3D

SECURITIES DISPOSED OF FOR MORE THAN MARKET VALUE

Textual Amendments

- F2** Pt. 7 Ch. 3D inserted (with effect in accordance with Sch. 22 para. 8(2) of the amending Act) by [Finance Act 2003 \(c. 14\), Sch. 22 para. 8\(1\)](#)

446X Application of this Chapter

This Chapter applies if—

- (a) employment-related securities are disposed of by an associated person so that no associated person is any longer beneficially entitled to them, and
- (b) the disposal is for a consideration which exceeds the market value of the employment-related securities at the time of the disposal.

446Y Amount treated as income

- (1) Where this Chapter applies the amount determined under subsection (3) counts as employment income of the employee for the relevant tax year.
- (2) The “relevant tax year” is the tax year in which the disposal occurs.
- (3) The amount is—

Status: Point in time view as at 01/03/2012.

Changes to legislation: *Income Tax (Earnings and Pensions) Act 2003, Chapter 3D is up to date with all changes known to be in force on or before 15 July 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)*

CDMVDA

where—

CD is the amount of the consideration given on the disposal,

MV is the market value of the employment-related securities at the time of the disposal,
and

DA is the amount of any expenses incurred in connection with the disposal.

446Z Definitions

- (1) In this Chapter “market value” has the meaning indicated in section 421(1).
- (2) For the purposes of this Chapter sections 421(2) and 421A apply for determining the amount of the consideration given for anything.
- (3) In this Chapter—
 - “the employee”, and
 - “employment-related securities”,have the meaning indicated in section 421B(8).
- (4) In this Chapter “associated person” has the meaning indicated in section 421C.]

Status:

Point in time view as at 01/03/2012.

Changes to legislation:

Income Tax (Earnings and Pensions) Act 2003, Chapter 3D is up to date with all changes known to be in force on or before 15 July 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.