



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 7

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

CHAPTER 9

ENTERPRISE MANAGEMENT INCENTIVES

Introduction

527 Enterprise management incentives: qualifying options

- (1) This Chapter provides—
 - (a) for share options notified to [^{F1}an officer of Revenue and Customs] to be qualifying options for the purposes of the EMI code, and
 - (b) for exemptions and reliefs from income tax in connection with qualifying options.
- (2) Schedule 5 contains the requirements that have to be met for a share option to be a qualifying option, together with the notification procedure.
- (3) The provisions of—
 - (a) this and the following sections of this Chapter, [^{F2}and]
 - (b) Schedule 5, ^{F3}...
 - ^{F3}(c)together constitute “the EMI code”.
- (4) In the EMI code—

“qualifying option” means a share option—

Changes to legislation: *Income Tax (Earnings and Pensions) Act 2003, Cross Heading: Introduction is up to date with all changes known to be in force on or before 13 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*

- (a) in relation to which the requirements of Schedule 5 are met at the time when the option is granted, and
- (b) which is notified to [^{F1}an officer of Revenue and Customs] in accordance with Part 7 of that Schedule;

“replacement option” means an option within paragraph 41(4) of that Schedule (grant of replacement option in connection with company reorganisations);

“share option” means a right to acquire shares in a company;

and any reference to the requirements of Schedule 5 is to the requirements set out in paragraph 1(3) of that Schedule.

- (5) Other expressions used in the EMI code and contained in the index at the end of Schedule 5 have the meaning indicated by the index.

Textual Amendments

- F1** 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)
- F2** Word in s. 527(3) inserted (with effect in accordance with Sch. 3 para. 9(4) of the amending Act) by [Finance Act 2016 \(c. 24\)](#), [Sch. 3 para. 9\(3\)\(a\)](#)
- F3** S. 527(3)(c) and word omitted (with effect in accordance with Sch. 3 para. 9(4) of the amending Act) by virtue of [Finance Act 2016 \(c. 24\)](#), [Sch. 3 para. 9\(3\)\(b\)](#)

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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\(4\)](#)