



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 7

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

[^{F1}CHAPTER 1

INTRODUCTION

Application of Chapters 2 to [^{F1}4A]

[^{F1}421F Exclusions: public offers

(1) [^{F2}Chapters 2, 3 and 3C] do not apply in relation to employment-related securities that are shares acquired under the terms of an offer to the public or an interest in shares so acquired.

[^{F3}(1A) But subsection (1) does not disapply those Chapters if the main purpose (or one of the main purposes)—

- (a) of the arrangements under which the right or opportunity under which the shares were acquired, or
- (b) for which the shares are held,

is the avoidance of tax or national insurance contributions.]

(2) In a case within subsection (1) of section 544 (exemption for priority share allocations where offer to employees separate from public offer), any acquisition made under the terms of either the public offer or the employee offer within the meaning of that subsection is to be treated for the purposes of this section as made under the terms of an offer to the public.

Changes to legislation: *Income Tax (Earnings and Pensions) Act 2003, Section 421F is up to date with all changes known to be in force on or before 23 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*

- (3) Subsection (2) applies whether or not there is any benefit within section 544(2) (benefit derived from entitlement to priority allocation exempt from income tax).]

Textual Amendments

- F1** Pt. 7 Ch. 1 substituted (with effect in accordance with Sch. 22 para. 2(2) of the amending Act) by [Finance Act 2003 \(c. 14\)](#), [Sch. 22 para. 2\(1\)](#)
- F2** Words in s. 421F(1) substituted (18.6.2004 with application in accordance with s. 89(4)(5) of the amending Act) by [Finance Act 2004 \(c. 12\)](#), [s. 89\(2\)](#)
- F3** S. 421F(1A) inserted (18.6.2004 with application in accordance with s. 89(4)(5) of the amending Act) by [Finance Act 2004 \(c. 12\)](#), [s. 89\(3\)](#)

Changes to legislation:

Income Tax (Earnings and Pensions) Act 2003, Section 421F is up to date with all changes known to be in force on or before 23 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.

[View outstanding changes](#)

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\(4\)](#)