



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 7

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

[^{F2}CHAPTER 3C

SECURITIES ACQUIRED FOR LESS THAN MARKET VALUE

[^{F2}446T Amount of notional loan

(1) The amount of the notional loan initially outstanding is—

MVDA

where—

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

DA is the total of any deductible amounts.

(2) Where the employment-related securities are, or are an interest in, securities which are not fully paid up, the reference in subsection (1) to the market value of the employment-related securities is to what it would be if the securities were fully paid up.

(3) For the purposes of subsection (1) each of the following is a “deductible amount”—

- (a) any payment made for the employment-related securities by the employee, and any payment so made by the person by whom they were acquired (if not the employee), at or before the time of the acquisition,

Status: Point in time view as at 01/09/2013. This version of this provision has been superseded.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003, Section 446T is up to date with all changes known to be in force on or before 19 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)

- (b) any amount that constitutes earnings from the employee's employment under Chapter 1 of Part 3 (earnings) in respect of the acquisition of the employment-related securities [^{F3}(other than an amount of exempt income)],
 - ^{F4}(ba) [any amount treated as earnings from the employee's employment under section 226A (employee shareholder shares: amount treated as earnings) in respect of the acquisition of the employment-related securities (other than an amount of exempt income),]
 - (c) if section 425(2) (no charge on acquisition of certain restricted securities or restricted interests in securities) applies in relation to the employment-related securities, any amount that counts as employment income of the employee under section 426 by reason of the first event which is a chargeable event for the purposes of that section in relation to the employment-related securities,
 - (d) if the employment-related securities were acquired on a conversion of other employment-related securities, any amount that counts as employment income of the employee under section 438 (charge on conversion) by reason of the conversion, ^{F5}...
 - (e) if the acquisition is pursuant to a securities option, any amount that counted as employment income of the employee under section 476 (acquisition of securities pursuant to securities option) in respect of the acquisition [^{F6}, and
 - (f) any amount that has counted as employment income of the employee in respect of the employment under Chapter 2 of Part 7A in relation to the employment-related securities.]
- (4) The amount of the notional loan outstanding at any subsequent time is the difference between—
- (a) the amount initially outstanding, and
 - (b) the amount of any payments or further payments made for the employment-related securities after the acquisition but before that time.]

Textual Amendments

- F2** Pt. 7 Ch. 3C inserted (with effect in accordance with Sch. 22 para. 7(2) of the amending Act) by [Finance Act 2003 \(c. 14\)](#), [Sch. 22 para. 7\(1\)](#)
- F3** Words in s. 446T(3)(b) inserted (with effect in accordance with s. 49(12) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [s. 49\(5\)](#)
- F4** S. 446T(3)(ba) inserted (1.9.2013) by [Finance Act 2013 \(c. 29\)](#), [Sch. 23 paras. 9, 38](#); [S.I. 2013/1755](#), [art. 2](#)
- F5** Word in s. 446T(3) omitted (with effect in accordance with Sch. 2 paras. 52-59 of the amending Act) by virtue of [Finance Act 2011 \(c. 11\)](#), [Sch. 2 para. 22\(a\)](#)
- F6** S. 446T(3)(f) and word inserted (with effect in accordance with Sch. 2 para. 52-59 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 2 para. 22\(b\)](#)

Status:

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Changes to legislation:

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