



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 7

EMPLOYMENT INCOME: SHARE-RELATED INCOME AND EXEMPTIONS

CHAPTER 5

SHARE OPTIONS

Introduction

472 Introduction to taxation of share options

- (1) The starting-point is that liability to tax may arise by virtue of Chapter 1 of Part 3 (earnings) or Chapter 10 of that Part (taxable benefits: residual liability to charge) when the share option is received, but not when it is exercised.
- (2) But section 474 (no charge in respect of receipt of shorter-term option) contains an exemption from this liability.
- (3) Liability to tax may arise when the share option is exercised by virtue of—
 - (a) Chapter 8 of Part 3 (taxable benefits: notional loans in respect of acquisitions of shares), or
 - (b) section 476 or 477 (charge on exercise etc. of option).
- (4) Liability to tax may also arise when the share option is assigned or released by virtue of section 476 or 477.
- (5) There are special rules relating to share options received under—
 - (a) approved SAYE option schemes (see Chapter 7 of this Part),
 - (b) approved CSOP schemes (see Chapter 8 of this Part), or

Status: Point in time view as at 06/04/2003. This version of this provision has been superseded.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003, Section 472 is up to date with all changes known to be in force on or before 08 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)

- (c) enterprise management incentives (see Chapter 9 of this Part).

Status:

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