



# Income Tax (Earnings and Pensions) Act 2003

## 2003 CHAPTER 1

### PART 7

[<sup>F1</sup>EMPLOYMENT INCOME: INCOME AND EXEMPTIONS RELATING TO SECURITIES]

### CHAPTER 8

<sup>F1</sup>... CSOP SCHEMES

#### *Introduction*

#### **521** <sup>F1</sup>... CSOP schemes

(1) This Chapter provides—

- <sup>F2</sup>(a) .....
- (b) for exemptions from income tax in connection with share options granted under [<sup>F3</sup>CSOP schemes which are Schedule 4 CSOP] schemes, and
- (c) for amounts to count as employment income in certain circumstances in connection with such options.

<sup>F4</sup>(2) .....

(3) The provisions of—

- (a) this and the following sections of this Chapter,
  - (b) Schedule 4, and
  - (c) Part 3 of Schedule 7D to TCGA 1992 ([<sup>F5</sup>Schedule 4] CSOP schemes: amount of consideration on exercise of option),
- together constitute “the CSOP code”.

(4) In the CSOP code—

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**Changes to legislation:** *Income Tax (Earnings and Pensions) Act 2003, Section 521 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*

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F6 ...

“CSOP scheme” means a scheme (commonly referred to as a company share option plan) which—

- (a) is established by a company,
- (b) provides for share options to be granted to employees and directors, and
- (c) is not an SAYE option scheme (within the meaning of the SAYE code: see section 516(4));

[<sup>F7</sup>“Schedule 4 CSOP scheme” is to be read in accordance with paragraph 1 and Part 7 of Schedule 4;]

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

“shares” includes stock.

- (5) Other expressions used in the CSOP code and contained in the index at the end of Schedule 4 have the meaning indicated by the index.

#### **Textual Amendments**

- F1** Word in s. 521 heading omitted (6.4.2014) by virtue of [Finance Act 2014 \(c. 26\)](#), [Sch. 8 paras. 160\(2\), 204](#) (with [Sch. 8 paras. 205-215](#))
- F2** S. 521(1)(a) omitted (6.4.2014) by virtue of [Finance Act 2014 \(c. 26\)](#), [Sch. 8 paras. 160\(3\)\(a\)](#), 204 (with [Sch. 8 paras. 205-215](#))
- F3** Words in s. 521(1)(b) substituted (6.4.2014) by [Finance Act 2014 \(c. 26\)](#), [Sch. 8 paras. 160\(3\)\(b\)](#), 204 (with [Sch. 8 paras. 205-215](#))
- F4** S. 521(2) omitted (6.4.2014) by virtue of [Finance Act 2014 \(c. 26\)](#), [Sch. 8 paras. 160\(4\)](#), 204 (with [Sch. 8 paras. 205-215](#))
- F5** Words in s. 521(3)(c) substituted (6.4.2014) by [Finance Act 2014 \(c. 26\)](#), [Sch. 8 paras. 160\(5\)](#), 204 (with [Sch. 8 paras. 205-215](#))
- F6** Words in s. 521(4) omitted (6.4.2014) by virtue of [Finance Act 2014 \(c. 26\)](#), [Sch. 8 paras. 160\(6\)\(a\)](#), 204 (with [Sch. 8 paras. 205-215](#))
- F7** Words in s. 521(4) inserted (6.4.2014) by [Finance Act 2014 \(c. 26\)](#), [Sch. 8 paras. 160\(6\)\(b\)](#), 204 (with [Sch. 8 paras. 205-215](#))

**Changes to legislation:**

Income Tax (Earnings and Pensions) Act 2003, Section 521 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.

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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\(4\)](#)