



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, Section 527 is up to date with all changes known to be in force on or before 13 September 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\(4\)](#)