



Income Tax (Trading and Other Income) Act 2005

2005 CHAPTER 5

PART 4

SAVINGS AND INVESTMENT INCOME

CHAPTER 4

DIVIDENDS FROM NON-UK RESIDENT COMPANIES

Shares in [F1Schedule 2] share incentive plans (“SIPs”)

405 SIP shares: introduction

- (1) Sections 406 to 408 contain special rules about the charge under this Chapter in respect of shares awarded to an individual under [F1a Schedule 2] share incentive plan.
- (2) Those sections only apply if the condition in section 392(3) or (5) was met at the time the shares in question were so awarded (earnings within ITEPA 2003).
- (3) This section and sections 406 to 408 form part of the SIP code (see section 488 of ITEPA 2003 (F2... share incentive plans)).
- (4) Accordingly, expressions used in this section or those sections and contained in the index in paragraph 100 of Schedule 2 to that Act (F2... share incentive plans) have the meaning indicated by that index.
- (5) In particular—
 - (a) for the meaning of “award of shares” see paragraph 5(1) of that Schedule,
 - (b) for the meaning of “ceasing to be subject to plan” see paragraph 97 of that Schedule,
 - (c) for the meaning of “dividend shares” see paragraph 62(3)(b) of that Schedule,

Changes to legislation: *There are currently no known outstanding effects for the Income Tax (Trading and Other Income) Act 2005, Section 405. (See end of Document for details)*

- (d) for the meaning of “participant” see paragraph 5(4) of that Schedule,
- (e) for the meaning of “plan shares” see paragraphs 86 to 88 and 99(1) of that Schedule, and
- (f) for the meaning of “shares” see paragraphs 87(6) and 99(2) of that Schedule.

Textual Amendments

- F1** Words in s. 405(1) substituted (6.4.2014) by [Finance Act 2014 \(c. 26\)](#), [Sch. 8 paras. 62\(2\)](#), 89 (with [Sch. 8 paras. 90-96](#))
- F2** Word in s. 405(3)(4) omitted (6.4.2014) by virtue of [Finance Act 2014 \(c. 26\)](#), [Sch. 8 paras. 62\(3\)](#), 89 (with [Sch. 8 paras. 90-96](#))

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