

Status: Point in time view as at 06/04/2016.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2013, Cross Heading: Share incentive plans. (See end of Document for details)

SCHEDULES

SCHEDULE 2

TAX ADVANTAGED EMPLOYEE SHARE SCHEMES

PART 4

RESTRICTED SHARES

Share incentive plans

- 46 Part 4 of Schedule 2 (types of shares that may be awarded) is amended as follows.
- 47 In paragraph 25 (introduction) in sub-paragraph (1)—
- (a) after the entry for paragraph 28 insert “ and ”, and
 - (b) omit the entry for paragraph 30 and the “and” before it.
- 48 Omit paragraphs 30 to 33 (only certain kinds of restrictions allowed).
- 49 In Part 5 of Schedule 2 (free shares) in paragraph 35 (maximum annual award) omit sub-paragraphs (3) and (4).
- 50 In Part 6 of Schedule 2 (partnership shares) in paragraph 43 (introduction) after sub-paragraph (2) insert—
- “(2A) The plan must provide that partnership shares are not to be subject to any provision for forfeiture.”
- 51 In Part 7 of Schedule 2 (matching shares) in paragraph 59 (general requirement for matching shares) omit sub-paragraph (2).
- 52 In Part 9 of Schedule 2 (trustees) in paragraph 75 (duty to give notice of award of shares etc) in sub-paragraphs (2) and (3) after paragraph (a) insert—
- “(aa) if the shares are subject to any restriction, giving details of the restriction.”.
- 53 (1) In Part 10 of Schedule 2 (approval of plans) paragraph 84 (disqualifying events) is amended as follows.
- (2) In sub-paragraph (3)—
 - (a) after paragraph (b) insert “ or ”, and
 - (b) omit paragraph (c) and the “or” after it.
 - (3) In sub-paragraph (4)(b) for “provision for forfeiture” substitute “ restriction ”.
- 54 Part 11 of Schedule 2 (supplementary provision) is amended as follows.
- 55 In paragraph 92 (determination of market value) for sub-paragraph (2) substitute—
- “(2) For the purposes of this Schedule the market value of shares subject to a restriction is to be determined as if they were not subject to the restriction.”

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- 56 In paragraph 99 (minor definitions) after sub-paragraph (3) insert—
- “(4) For the purposes of the SIP code—
- (a) shares are subject to a “restriction” if there is any contract, agreement, arrangement or condition which makes provision to which any of subsections (2) to (4) of section 423 (restricted securities) would apply if the references in those subsections to the employment-related securities were to the shares, and
- (b) the “restriction” is that provision.”
- 57 In paragraph 100 (index of defined expressions) at the appropriate place insert—
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- “restriction (in relation to shares) paragraph 99(4)”.
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- 58 (1) The amendments made by paragraphs 46 to 48 and 50 to 52 above have effect in relation to awards of shares made on or after the day on which this Act is passed.
- (2) A SIP approved, or a trust instrument made, before that day has effect with any modifications needed to reflect the amendments made by paragraphs 46 to 57 above.
- (3) In particular, in relation to awards of shares on or after that day, such a SIP has effect with the omission of any provision falling within a provision of Schedule 2 to ITEPA 2003 omitted by paragraph 48 above.

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