

Status: Point in time view as at 17/07/2014.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2013, Cross Heading: Company's power to direct reinvestment of cash dividends. (See end of Document for details)

SCHEDULES

SCHEDULE 2

TAX ADVANTAGED EMPLOYEE SHARE SCHEMES

PART 6

SHARE INCENTIVE PLANS: DIVIDEND SHARES

Company's power to direct reinvestment of cash dividends

- 83 (1) Paragraph 62 (reinvestment of dividends) is amended as follows.
- (2) In sub-paragraph (1) for the first “all” substitute “ some or all of the ”.
- (3) After sub-paragraph (1) insert—
- “(1A) The company's direction must set out—
- (a) the amount of the cash dividends to be applied as mentioned in sub-paragraph (1), or
- (b) how that amount is to be determined.”
- (4) In sub-paragraph (4) after “may” insert “ modify or ”.
- 84 In paragraph 68 (reinvestment: amounts to be carried forward) for sub-paragraph (1) substitute—
- “(1) This paragraph applies where an amount is not reinvested because it is not sufficient to acquire a share.”
- 85 In paragraph 69 (cash dividends with no requirement to reinvest) in sub-paragraph (2) for “which” substitute “ so far as they ”.
- 86 (1) A SIP approved before the day on which this Act is passed which contains provision under paragraph 62(1) of Schedule 2 to ITEPA 2003 has effect with any modifications needed to reflect the amendments made by paragraphs 83 to 85 above.
- (2) Sub-paragraph (3) applies to a direction requiring the reinvestment of cash dividends which is given before that day.
- (3) For the purposes of paragraph 62(1A) of Schedule 2 to ITEPA 2003 the direction is to be treated as requiring the reinvestment of all the cash dividends, subject to any modification of the direction which is made on or after that day under paragraph 62(4) of that Schedule.

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