
STATUTORY INSTRUMENTS

1996 No. 2969

INCOME TAX

The Income Tax (Employments)(Notional Payments) (Amendment) Regulations 1996

Made - - - - 26th November 1996
Laid before the House of Commons - - - - 26th November 1996
Coming into force - - 27th November 1996

The Commissioners of Inland Revenue, in exercise of the powers conferred on them by section 203 of the Income and Corporation Taxes Act 1988(1), hereby make the following Regulations:

1. These Regulations may be cited as the Income Tax (Employments) (Notional Payments) (Amendment) Regulations 1996 and shall come into force on 27th November 1996.

2. For regulation 3(2) of the Income Tax (Employments) (Notional Payments) Regulations 1994(2) there shall be substituted—

“(2) The property described is—

- (a) any shares acquired by the employee (whether or not as a result of the exercise of a right to acquire shares) under a scheme approved by the Board under Schedule 9 to the Taxes Act (approved share option schemes and profit sharing schemes),
- (b) any right over or interest in shares obtained or acquired by the employee under such a scheme, and
- (c) any shares acquired by the employee as a result of the exercise of a right over shares obtained before 27th November 1996 otherwise than under a scheme approved by the Board under Schedule 9 to the Taxes Act,

where the shares in question form part of the ordinary share capital of—

- (i) an employer which is a company (“the employer company”), or
- (ii) a company which has control of the employer company, or
- (iii) a company which either is, or has control of, a company which is a member of a consortium owning either the employer company or a company having control of the employer company.”

(1) 1988 c. 1; section 203 was extended by section 203F(4)(c) of the Income and Corporation Taxes Act 1988. Section 203F was inserted by section 127 of the Finance Act 1994 (c. 9).

(2) S.I. 1994/1212.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

26th November 1996

C. W. Corlett
G. H. Bush
Two of the Commissioners of Inland Revenue

EXPLANATORY NOTE

(This note is not part of the Regulations)

Assessable income provided to employees in the form of tradeable assets is paid under the operation of PAYE.

These Regulations make an amendment to regulation 3 of the Income Tax (Employments) (Notional Payments) Regulations 1994 (S.I. [1994/1212](#)) which excludes from the operation of PAYE tradeable assets provided to employees in the form of shares in an employer company or in a company controlling an employer company (“own company shares”).

The amendment limits the exclusion to the following cases — first, cases where own company shares are acquired, or an option or an interest in such shares is obtained or acquired, under a share option scheme or a profit sharing scheme approved by the Board of Inland Revenue under Schedule 9 to the Income and Corporation Taxes Act 1988; and secondly, cases where own company shares are acquired as a result of the exercise of a right over shares obtained before the date of coming into force of these Regulations otherwise than under a scheme approved by the Board under that Schedule.