



# Finance Act 2010

## 2010 CHAPTER 13

### PART 2

#### ANTI-AVOIDANCE AND REVENUE PROTECTION

##### *Securities etc*

### **39 Approved CSOP schemes: eligible shares**

- (1) In Part 4 of Schedule 4 to ITEPA 2003 (shares to which approved CSOP schemes can apply), omit paragraph 17(1)(c) (shares in a company which is under the control of a listed company).
- (2) Accordingly, in that Schedule—
  - (a) in paragraph 17—
    - (i) after sub-paragraph (1)(a) insert “ or ”,
    - (ii) omit “or” at the end of sub-paragraph (1)(b), and
    - (iii) omit sub-paragraph (2), and
  - (b) omit paragraph 20(3)(c) (and the “or” before it).
- (3) The amendments made by this section—
  - (a) come into force on 24 September 2010, and
  - (b) have effect in relation to options granted on or after that day.
- (4) If—
  - (a) during the period beginning with 24 March 2010 and ending with 23 September 2010 (“the transitional period”), a share option is granted to an individual in accordance with the provisions of an approved CSOP scheme, and
  - (b) the shares which may be acquired by the exercise of the option are shares in a company which is under the control of a listed company, other than shares of a class listed on a recognised stock exchange,

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*Changes to legislation: There are currently no known outstanding effects  
for the Finance Act 2010, Section 39. (See end of Document for details)*

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the share option is to be treated for the purposes of the CSOP code as not having been granted in accordance with the provisions of an approved CSOP scheme.

- (5) An alteration made to a scheme during the transitional period in order to meet the amended paragraph 17 requirement is to be regarded as an alteration made in a key feature of the scheme for the purposes of paragraph 30 of Schedule 4 to ITEPA 2003 (withdrawal of approval).
- (6) Where the amended paragraph 17 requirement is not met in respect of an approved CSOP scheme at the end of the transitional period, the requirement is to be treated for the purposes of paragraph 30(2)(a) of that Schedule (disqualifying events) as ceasing to be met immediately after that time.
- (7) Where, by virtue of subsection (6), approval is withdrawn from a scheme under Part 7 of that Schedule, that withdrawal has effect (from the time determined in accordance with paragraph 30(1) of that Schedule) in relation to options granted on or after 24 September 2010 only.
- (8) In subsections (3) to (7) references to options having been granted include new share options granted under the terms of a provision included in a scheme under paragraph 26 of Schedule 4 to ITEPA 2003 (exchange of shares on company reorganisation); but paragraph 27(5) of that Schedule (new share options treated as granted at same time as old share options) does not apply for the purposes of those subsections.
- (9) In this section—
  - “the amended paragraph 17 requirement” means the requirement of paragraph 17 of Schedule 4 to ITEPA 2003 as amended by this section;
  - “approved” and “CSOP scheme” have the meaning given by section 521 of that Act;
  - “control” and “listed company” have the same meaning as in paragraph 17 of Schedule 4 to that Act.

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 2010, Section 39.