

Finance Act, 2008

Section 33 - Enterprise management incentives: qualifying companies

1) Part 3 of Schedule 5 to ITEPA 2003 (enterprise management incentives: qualifying companies) is amended as follows. (2) In paragraph 8 (qualifying companies: introduction), omit the "and" at the end of the entry relating to paragraph 12, and after that entry insert- "number of employees (see paragraph 12A), and". (3) After paragraph 12 insert- "The number of employees requirement 12A (1) The number of employees requirement in the case of a single company is that the full-time equivalent employee number for it is less than 250. (2) The number of employees requirement in the case of a parent company is that the sum of- (a) the full-time equivalent employee number for it, and (b) the full-time equivalent employee numbers for each of its qualifying subsidiaries, is less than 250. (3) The full-time equivalent employee number for a company is calculated as follows- Step 1 Find the number of full-time employees of the company. Step 2 Add, for each employee of the company who is not a full-time employee, such fraction as is just and reasonable. The result is the full-time equivalent employee number. (4) In this paragraph references to an employee- (a) include a director, but (b) do not include- (4) In paragraph 16 (excluded activities), after paragraph (i) insert- "(ia) shipbuilding (see also paragraph 20A); (ib) producing coal (see also paragraph 20B); (ic) producing steel (see also paragraph 20C);". (5) After paragraph 20 insert- "Excluded activities: shipbuilding 20A In paragraph 16(ia) "shipbuilding" has the same meaning as in the Framework on state aid to shipbuilding (2003/C 317/06), published in the Official Journal on 30 December 2003. Excluded activities: producing coal 20B (1) This paragraph supplements paragraph 16(ib). (2) "Coal" has the meaning given by Article 2 of Council Regulation (EC) No. 1407/2002 (state aid to coal industry). (3) The production of coal includes the extraction of it. Excluded activities: producing steel 20C In paragraph 16(ic) "steel" means any of the steel products listed in Annex 1 to the Guidelines on national regional aid (2006/C 54/08), published in the Official Journal on 4 March 2006." (6) The amendments made by this section have effect in relation to options granted on or after the day on which this Act is passed.