

**Finance Act, 2008**

**Section 49 - Employment-related securities etc: deductible amounts etc**

1) In section 149AA of TCGA 1992 (restricted and convertible employment related securities), after subsection (6) insert- "(7) In subsection (1) the reference to any amount that constituted earnings under Chapter 1 of Part 3 of ITEPA 2003 does not include any amount of exempt income (within the meaning of section 8 of that Act)." (2) ITEPA 2003 is amended as follows. (3) In section 428(2)(b) as originally enacted (conditional interests in shares: amount of charge), insert at the end "(other than an amount of exempt income)". (4) In section 428(7)(b) (restricted securities: amount of charge), insert at the end "(other than an amount of exempt income)". (5) In section 446T(3)(b) (securities acquired for less than market value: amount of charge), insert at the end "(other than an amount of exempt income)". (6) In section 480(5)(a) (securities options: deductible amounts), insert at the end "(other than an amount of exempt income)". (7) In paragraph 21(3) of Schedule 23 to FA 2003 (corporation tax relief for employee share acquisition: amount of relief in case of restricted shares), insert at the end- "For this purpose the amount that constitutes such earnings does not include any amount of exempt income (within the meaning of section 8 of that Act)." (8) In paragraph 22C(3) of that Schedule (corporation tax relief for employee share acquisition: amount of relief in case of convertible shares), insert at the end- "For this purpose the amount that constitutes such earnings does not include any amount of exempt income (within the meaning of section 8 of that Act)." (9) The amendment made by subsection (1) has effect in relation to disposals made on or after 12 March 2008. (10) The amendment made by subsection (3) has effect in relation to events within section 427(1)(a) or (b) of ITEPA 2003 (as originally enacted) occurring on or after that date. (11) The amendments made by subsections (4) and (6) have effect in relation to chargeable events occurring on or after that date. (12) The amendment made by subsection (5) has effect in relation to employment related securities acquired (or treated as acquired) on or after that date. (13) The amendments made by subsections (7) and (8) have effect in relation to awards of shares made on or after that date.