Enterprise management incentives

1 Notification of grant of options to be given in annual return

(1) Schedule 5 to ITEPA 2003 (enterprise management incentives) is amended as follows.

(2) Omit Part 7 (notification of option to an officer of Revenue and Customs).

(3) In paragraph 52 (annual returns)—

(a) for the heading substitute "Notification of options and annual return";

(b) for sub-paragraphs (1) to (4) substitute—

"(1) For a share option to be a qualifying option, notice of the option must be given by the relevant company to HMRC.

(2) A notice under sub-paragraph (1) in respect of a share option must be included in a return for the tax year in which the option is granted.

(3) A company that gives a return for a tax year that includes a notice under sub-paragraph (1) must give a return for each subsequent tax year that (to any extent) falls before the termination date.

(4) "The termination date" is the first date on which—

(a) the company's shares are no longer subject to qualifying options, and

(b) it is reasonable to assume that the company's shares will no longer become subject to qualifying options.";

(c) in sub-paragraph (6)—

(i) after "includes (in particular)" insert "—

"(a) in the case of a return that includes a notice under sub-paragraph (1), such information or declarations as HMRC may require for the purpose of determining that the requirements of this Schedule are met in relation to the option to which the notice relates, and";

(ii) the words from "information to enable" to the end become paragraph (b).

(4) The amendments made by this section have effect in relation to options granted on or after 6 April 2027.

2 Section 1: consequential amendments

(1) ITEPA 2003 is amended as follows.

(2) In section 527 (enterprise management incentives: qualifying options)—

(a) in subsection (1)(a), for "an officer of Revenue and Customs" substitute "HMRC";

(b) in subsection (4), after "In the EMI code—" insert—

""HMRC" means His Majesty's Revenue and Customs;";

(c) in subsection (4), in the definition of "qualifying option", in paragraph (b), for "an officer of Revenue and Customs in accordance with Part 7" substitute "HMRC in accordance with paragraph 52".

(3) In Schedule 5 (enterprise management incentives)—

(a) in paragraph 1(2)(b), for "an officer of Revenue and Customs in accordance with Part 7" substitute "HMRC in accordance with paragraph 52";

(b) for the heading of Part 8, substitute "Notification of options and supplementary provisions";

(c) in paragraph 53(1) (compliance with time limits), omit "and Part 7";

(d) in paragraph 59 (index of defined expressions), omit the entries for—

"closure notice"

"met (in Part 7 of this Schedule)".

(4) The amendments made by this section have effect in relation to options granted on or after 6 April 2027.