

Approved profit sharing schemes: appropriated shares. FA82 s51(1) to (7) 510.—(1) In this Chapter, references to an approved scheme are references to a scheme approved of as is mentioned in subsection (3) and, in relation to such a scheme—

(a) any reference to a participant is a reference to an individual to whom the trustees of the scheme have appropriated shares, and

(b) subject to section 514, any reference to a participant's shares is a reference to the shares which have been appropriated to the participant by the trustees of an approved scheme.

(2) Any reference in this Chapter to the initial market value of any of a participant's shares is a reference to the market value of those shares determined—

(a) except where paragraph (b) applies, on the date on which the shares were appropriated to the participant, and

(b) if the Revenue Commissioners and the trustees of the scheme agree in writing, on or by reference to such earlier date or dates as may be provided for in the agreement.

(3) This section shall apply where the trustees of a profit sharing scheme approved of in accordance with Part 2 of Schedule 11 appropriate shares—

(a) which have previously been acquired by the trustees, and

(b) as to which the conditions in Part 3 of that Schedule are fulfilled,

to an individual who participates in the scheme.

(4) Notwithstanding anything in the Income Tax Acts, a charge to tax shall not be made on any individual in respect of the receipt of a right to receive the beneficial interest in shares passing or to be passed to that individual by virtue of such an appropriation of shares as is mentioned in subsection (3).

(5) Notwithstanding anything in the approved scheme concerned or in the trust instrument or in section 511, for the purposes of capital gains tax a participant shall be treated as absolutely entitled to his or her shares as against the trustees.

(6) Where the trustees of an approved scheme acquire any shares as to which the conditions in Part 3 of Schedule 11 are fulfilled and, within the period of 18 months beginning with the date of their acquisition, those shares are appropriated in accordance with the scheme—

(a) section 805 shall not apply to income consisting of dividends on those shares received by the trustees, and

(b) any gain accruing to the trustees on the appropriation of those shares shall not be a chargeable gain,

and, for the purpose of determining whether any shares are appropriated within that period of 18 months, shares which were acquired at an earlier time shall be taken to be appropriated before shares of the same class which were acquired at a later time.

(7) The Revenue Commissioners may by notice in writing require any person to furnish to them, within such time as they may direct (but not being less than 30 days), such information as they think necessary for the purposes of their functions under this Chapter, including in particular information to enable them—

(a) to determine whether to approve of a scheme or withdraw an approval already given, and

(b) to determine the liability to tax, including capital gains tax, of any participant in an approved scheme.