

Budget 2004



REV BN 11

17 March 2004

ENTERPRISE MANAGEMENT INCENTIVES (EMI): QUALIFYING SUBSIDIARIES RULE

Who is likely to be affected?

1. All companies granting EMI share options and their employees who benefit from those options.

General description of the measure

2. Relaxation of the EMI qualifying conditions for companies with subsidiaries.

Operative dates

3. EMI share options granted to employees on or after Budget Day.

Current law and proposed revisions

4. Currently, the rules for EMI permit a qualifying company to have subsidiaries but only if it, or another of its subsidiaries, owns 75% of the company concerned. The 75% requirement will be removed, enabling more companies to use EMI options to recruit and retain employees who have the skills to help them grow and succeed.

5. This relaxation follows the '75% subsidiaries rule' change also announced today for the Venture Capital Schemes (see REV BN 10).

Further advice

6. If you have any questions about this change, please call 029 2032 7400.

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