

## UK Employee Share Plans Tax Filing Deadline

***In order to avoid penalties, companies should be sure to complete mandatory online registrations well in advance of the 6 July deadline.***

Companies which operate employee share plans in the UK are required to make a filing with Her Majesty's Revenue and Customs (HMRC), the UK tax authority, on an annual basis (by 6 July each year). This filing must now be made online via the HMRC Employment Related Securities (ERS) Online Service. The filing must record all "reportable events" which took place (see below for details as to what will constitute a "reportable event"). These filing requirements apply if any UK employees participate in a stock option, RSU or other stock based incentive plan linked to their employment, for example UK employees participating in a US stock incentive plan. Note that the obligation falls upon a US employer if there is no UK employer.

Additionally, companies must register any tax-approved schemes such as Company Share Option Plans (CSOP), Save as You Earn (SAYE) schemes or Share Incentive Plans (SIPs) by the 6 July 2015 deadline (including those that were established prior to the 2014-2015 tax year) and certify that the plans meet the requirements to qualify as a tax-approved plan. If an employer does not register and self-certify its tax-approved schemes by this date, the schemes may lose their tax advantages. Failure to make the filing may mean that the tax advantages will not apply to: (1) any awards or exercises of awards under a SIP or SAYE plan made after 6 April 2014; or (2) any outstanding CSOP options, regardless of when these were granted.

Companies that operate Enterprise Management Incentive (EMI) plans must still notify HMRC of new awards within the 92-day qualifying window. They will also have to file annual returns in respect of EMI awards by the 6 July deadline.

For non-tax approved schemes, employers do not need to register the scheme until there is a reportable event. Therefore, the current filing deadline for non-tax approved schemes (6 July each year) relates to all reportable events which took place between 6 April 2014 and 5 April 2015. This applies to listed and non-listed companies.

Once a share plan is registered, a return must be filed every year. If there have been no reportable events in that year, then a nil return must still be submitted.

Within a group of companies, it is sufficient that online registration is carried out by the principal employer or by another group employer (for example, the UK entity in the group), whichever is registered with HMRC Online Services (and so already has an online Pay-As-You-Earn (PAYE) portal).

A reportable event includes any steps relating to the stock incentive plan, for example:

- The grant of any employment related securities (for example restricted stock), RSUs or options over employment related securities
- The variation or cessation of any restrictions over any employment related securities
- The disposal by an employee of any employment related securities
- The conversion of employment related securities into securities of another description
- The discharge of a notional loan relating to employment related securities

Companies must submit a return using the ERS Online Service and complete the following:

- Register to use the HMRC ERS Online Services by following this [link](#). Registration can take more than seven days to complete, and HMRC recommends that companies register well in advance of the 6 July 2015 deadline
- Register each employment related securities scheme or arrangement (and record any reportable events)
- Self-certify any tax advantaged scheme using the ERS Online Service

If there have been any reportable events for the 2014-2015 tax year, companies must all submit an attachment with the return. Template attachments are available at this [link](#). HMRC guidance can be found at this [link](#).

Automatic penalties for late submission of the online annual returns are £100 for missing the deadline; plus £300 after three months; plus £600 after six months; plus £10 per day after nine months.

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