

SHARE PLAN REPORTING 2021/22

GLOBAL EMPLOYER SERVICES



Companies should complete mandatory share plan filing by 6 July 2022.

This is needed where any UK employees or directors are holding shares, securities or options.

ONLINE FILING OBLIGATIONS

All Companies with any type of share plan or arrangement (collectively Employment Related Securities “ERS”) are required to register them with HMRC and submit returns online each year.

Rules on net settlement indicate HMRC are keen to check that corporation tax treatment is correct where net settlement is used.

An obligation to file a return can arise on any employee or director share transaction. A formal share plan is not required. Companies must comply with their obligations to minimise the risk of losing valuable tax reliefs, incurring penalties and inviting HMRC review.

ONLINE REGISTRATION WITH HMRC

Companies cannot file their annual returns until registration is complete. BDO can assist with the registration process and provide a comprehensive guide for clients.

HMRC TAX ADVANTAGED SHARE PLANS

All tax advantaged plans set up in 2021/22 must be registered and self certified by 6 July 2022 to avoid losing tax benefits.

HMRC SCRUTINY AND PENALTIES

HMRC are issuing more ERS specific employer compliance checks to ensure ERS reporting, payroll and corporation tax deductions are consistent.

A £100 instant penalty is issued for missing the 6 July deadline. Further £300 penalties are charged on 6 October and 6 January.

Failure to file may also impact on HMRC’s risk rating and result in a visit from HMRC.

A penalty for an inaccurate return can be up to £5,000.

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ACTION POINTS

01

Companies must register ERS plans and arrangements implemented in 2021/22 and file returns for all registered plans

02

Annual returns must be submitted online no later than 6 July 2022

03

The HMRC system is complex and new guidance regarding net settlement must be taken into account for the 21/22 reporting so start the process now

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