

SHARE PLAN REPORTING 2018/19

April 2019



Companies should complete mandatory share plan filing by 6 July 2019. This is needed where any UK employees or directors are holding shares, securities or options.

Online filing obligations

All companies with any type of employee share plan or arrangement (collectively Employment Related Securities) are required to register arrangements and submit returns online.

An obligation to file a return can arise on any employee or director share transaction and no formal share plan is required. Companies must comply with their obligations to minimise the risk of losing valuable tax reliefs and incurring penalties.

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 2018/19 must be registered and self certified by 6 July 2019 to avoid losing tax benefits.

Penalties

A return must be submitted for every ERS plan or arrangement registered. £100 penalty will be charged if the filing deadline of 6 July is not met. Further £300 penalties will be charged on 6 October, 6 January and 6 April if the return is still not filed.

Daily penalties can then be applied. Penalties can mount up and failure may also impact on HMRC's risk rating for the company and could subsequently result in an unwanted visit from HMRC. A penalty for an inaccurate ERS can be up to £5,000.

ACTION POINTS

- ▶ Companies must register ERS plans and arrangements implemented in 2018/19 and file returns for all registered plans.
- ▶ Annual returns must be submitted online no later than 6 July 2019.
- ▶ The HMRC system is complex so start the process now.

Your next steps

For further advice and information please get in touch with your usual BDO contact or one of our specialists listed below.

SEAN LAVERY

Tax Partner

t: +44 (0)2890 439009

e: sean.lavery@bdoni.com

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