

# EMPLOYEE EQUITY PLANS – ONLINE FILING REQUIREMENTS

## GLOBAL EQUITY UPDATE - AUSTRALIA



**ALL COMPANIES WITH AUSTRALIA EMPLOYEES AND DIRECTORS HOLDING SHARES, SECURITIES OR OPTIONS MUST COMPLETE MANDATORY EMPLOYEE SHARE SCHEME FILING BY 14 AUGUST 2016.**

### ONLINE FILING OBLIGATIONS

Companies with employee share plans or arrangements (Employee Share Schemes or ESS) have an obligation to:

- Provide ESS statements to employees, and
- Lodge ESS annual reports with the Australian Taxation Office (ATO).

Companies should comply with the obligations to minimise the risk of incurring penalties and dealing with avoidable ATO queries.

### REPORTING DUE DATE

The lodgement dates for the 2016 tax year remains unchanged, with ESS statements due to employees by 14 July 2016 and ESS annual reports to the ATO due by 14 August 2016. Having the ESS report lodged by 14 August 2016 will assist in the ESS data being pre-filled into individual tax returns in a timely manner.

### NEW ESS ANNUAL REPORT LODGEMENTS FROM 2016

From the 2016 tax year employers are **only** able to lodge ESS annual reports using one of the following options:

- Online filing using either purchased or in-house developed software which meets the ESS Electronic Reporting Specification, these generally produce the ESS statements for employees as well.
- If reporting for no more than 50 employees, using the ATO's ESS online form. This does not produce ESS statements for employees, which will have to be prepared separately. In addition, this is not available to overseas reporting parties without an Australian Business Number or Australian intermediary to lodge on their behalf.

### ADDITIONAL REPORTING

The ATO has given companies the option to report the assignment start and end dates for overseas employment (for outbound employees) and ESS discounts can be apportioned to exclude the foreign sourced portion when this would not be subject to income tax.

In addition to reporting taxable amounts for the 2016 tax year, companies are now required to report ESS interests issued in the 2016 irrespective of their taxing point.

### START UPS

Companies can now identify as 'start-up' if they meet the definition in the legislation which took effect from 1 July 2015. Reporting parties must report shares and options issued under the start-up provisions, but employees will not be required to include these in their tax returns until the year in which they dispose of the shares.

### RETENTION OF INFORMATION

Documents/records must be kept for a minimum of five years after they are prepared or after the completion of the transactions / acts they relate (whichever is later). A copy of the data file provided to the ATO must be able to be regenerated on request by the ATO.

### ACTION POINTS

- ✓ Companies must ensure they have purchased or developed the ESS Electronic Reporting Specification to lodge the annual ESS report online, unless they qualify to use the ATO reporting tool
- ✓ Note the additional reporting requirements
- ✓ Annual ESS statements must be lodged no later than 14 August 2016

For further information  
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updates contact:

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Should you have a need for a trusted advisor in this area, please contact BDO's Global Equity team at [globalequity@bdo.com](mailto:globalequity@bdo.com).

**This information is current as of July 2016.**

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