



UK SHARE REPORTING RETURNS

Deadline for the 2017/18 tax year returns is **6 July 2018**

WHAT IS A UK SHARE REPORTING RETURN?

All companies offering shares and securities to their employees in the UK are required to file a return detailing activity during the tax year.

This return includes events such as:

- Grant of Stock Options
- Award of Restricted Stock Units, Restricted Stock and Stock Appreciation Rights
- Exercise of Stock Options
- Vest of Restricted Stock Units, Restricted Stock and Stock Appreciation Rights
- Cash cancellation of awards

The reporting includes other types of securities such as loan notes and can be particularly complex for private companies.

The reporting requirements also extend to internationally mobile employees who have been in the UK at some point during the life of the award. In our experience many companies struggle with the tracking and reporting of such individuals and this is a particularly popular area of review for HMRC.

Returns must be filed online and are due by 6 July following the end of the tax year; the deadline for the 2017/18 return is 6 July 2018.

WHAT DOES THIS MEAN FOR MY BUSINESS?

What type of return do I need to complete?

The exact return required will depend on the nature of your arrangements, there are different online returns for different schemes e.g. Enterprise Management Incentives, Company Share Option Plan, Share Incentive Plan, Save As You Earn and then general arrangements that do not have UK tax favoured status are reported on the "Other" return on the HMRC portal.



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ARE YOU COMPLIANT?

In our experience the returns can be complex for clients to complete and many companies do not have the resources to do so. As HMRC do not write to companies advising them of the filing obligation each year, some companies are not aware of this obligation. In addition, particularly where companies have an overseas parent, or the share transactions are not communicated widely within the business, the reporting can be overlooked unintentionally. We have worked with many clients where they have not previously submitted returns as the UK company assumed that the overseas stock administration department would complete the filing and this department had no knowledge that there was a UK filing requirement.

In the last few years HMRC have increasingly used the share reporting returns to provide an overview of a company's compliance and we have seen HMRC launch enquiries on the back of how events have been reported. They can also use the returns to cross check to payroll and corporation tax filings. It is vital that companies ensure that their share reporting is correct and complete and any issues are disclosed to HMRC on a timely basis before HMRC knock on the door!

HOW CAN BLUE-PEAK HELP?

With backgrounds in the Big 4, we have a wealth of experience assisting companies with their share reporting returns both reviewing and preparing the returns. Our experience ranges across a wide portfolio of companies, from owner managed businesses through to UK PLCs and large multi-national overseas entities.

Contact us to discuss your year-end share reporting requirements in further detail and find out more about how we can assist your business and take the stress out of Year End.

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