

EMPLOYMENT-RELATED SECURITIES (ERS) ANNUAL REPORTING

UK employers have an annual obligation to disclose certain shares or securities transactions that occurred during the tax year involving their employees and directors. This is reported via an online annual tax information return. Penalties are incurred for late submissions.

MARKET VIEW

HM Revenue and Customs (HMRC) require that employers file an annual report capturing any employment related securities schemes or arrangements that have taken place in the tax year ended 5 April. There are a number of transactions that a firm might need to report. These include:

- ⦿ When an employee or director acquires company shares in the employer company, or any company connected to this, such as the ultimate parent company whether UK or offshore.
- ⦿ When an employee or director acquires shares in a fund (or a Limited Partnership (LP) fund interest) on terms that are subject to restrictions, forfeiture or that were not made available to any third party.
- ⦿ When an employee or director is granted or exercises options, or is granted or has converted any vesting rights.
- ⦿ When shares are disposed for more than their market value.
- ⦿ Any action that increases the value of shares (e.g. removal of restrictions or forfeiture rights, including at time of outright sale).

The reporting is made via an online submission to HMRC and must be completed by 6 July every year. If an employer has not previously made an online submission, they must register with HMRC online. Employers who have made past online submissions will be required to complete a submission even if no relevant transactions took place during that tax year.

SOLUTION

Cordium can help you confirm help you to identify and prepare for your reporting obligations. We can also help you to complete and submit your annual ERS returns.

Our team specializes in supporting the tax needs of the asset management sector. This expertise, together with our efficient processes and procedures for ERS annual reporting delivers timely issue of the required reports. This means that the employer's responsibilities to HMRC can be expedited and at a competitive price point.



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