



GMS Flash Alert

Global Compensation Edition

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Australia - Employment-Related Equity, Stock Annual Lodgements Due by 14 July

The Employee Share Scheme (ESS) reporting for the Australian tax year ending 30 June 2019, is due on or before 14 July 2019. Employers have an annual obligation to report any Australian taxable events that occur in relation to ESS.¹

WHY THIS MATTERS

This is an employer reporting obligation that companies must comply with. They should have appropriate systems and procedures in place to meet their ESS-related compliance obligations.

Penalties may be imposed on an employer if the submissions are not made on time. Any delays or errors in reporting also have a negative impact on employee engagement as the information forms a critical part of their own tax return obligations.

KPMG NOTE: What Makes This Difficult

Identifying the Australian taxable event can be challenging:

- Multiple legislative changes over recent years mean that different awards can be taxed under any one of three different tax regimes that operate concurrently, and that any single employee may hold a combination of awards, that collectively, are taxed under all three regimes;
- There are taxing events that are unique to Australia, e.g., termination of employment, or if shares are sold within 30 days of the original deferred taxing point;
- The first reporting obligations fall just 2 weeks after the close of the Australian tax year ended 30 June 2019; and

- International assignments impact reporting obligations.

Concerned employers should consult with their professional tax service providers regarding appropriate ESS reporting technology or assistance.

More Details

Any Australian taxable events during the year up to 30 June 2018, must be reported to:

- employees by 14 July 2019; and
- the Australian Tax Office (ATO) by 14 August 2019.

Reporting to the ATO must meet specified electronic standard business reporting requirements, requiring a commercial software solution.

The obligation to report rests with the provider of the ESS.

If employees of Australian subsidiaries participate in a foreign parent ESS, the Australian subsidiary typically takes responsibility for the reporting obligations.

FOOTNOTES:

- 1 For related information, see [Employer reporting requirements](#) on the ATO website.

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Contact us

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