



GMS Flash Alert

Global Compensation Edition

2021-155 | May 28, 2021



Ireland - Update: Share Schemes Reporting, ESA Electronic Return Coming

Further to the update in [GMS Flash Alert 2021-041](#), Ireland's Revenue has recently issued an eBrief,¹ which confirms that the requirement to provide a return of information on share plans – until now, there was no prescribed format for reporting – will apply from the 2020 tax year onwards. The new return will be known as the “Employers Share Awards” (ESA) return. For the 2020 tax year, **the ESA will be released by Irish Revenue next month (June) and the filing deadline will be 31 August 2021**. For **subsequent years, the filing deadline will be 31 March** following the year in question. Failure to comply with this mandatory filing obligation can result in a monetary penalty.

WHY THIS MATTERS

The new reporting requirement and filing deadline is important for companies whose employees and directors have participated in any share-based schemes, with the exception of share schemes that are already reportable (i.e., unapproved share options schemes, key employee engagement programme (KEEP) options, or certain Revenue-approved share participation schemes).

New electronic reporting (see below) means that employers will also be required to file returns of information for certain other share schemes for 2020 and subsequent years. This will assist Revenue in gathering significant detail on the schemes, giving them much greater knowledge of/about such schemes as operated by companies. It will also add to the administrative burden for companies in meeting their filing obligations. The March deadline for the new return is in line with the filing deadline for other share scheme information returns (such as the Forms RSS1, ESS1 and KEEP1).

More Details

Finance Act 2020 provides for returns of information on share plans where there was until now no prescribed format for reporting and that this reporting is to be in electronic format. It is expected that reporting will cover the following share schemes:

- Restricted shares;
 - Forfeitable shares;
 - Convertibles shares;
 - Restricted Stock Units;
 - Other share awards;
 - Certain cash-based awards.
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KPMG NOTE

The electronic “form” for the ESA Return is currently in the final development phase and is not yet available for usage. Revenue has confirmed in an eBrief that the **ESA return should be available to download from the Revenue website in June**. Similar to other share scheme return information returns, the format of the form will be a “prep-format” spreadsheet. The completed file can then be uploaded via Revenue’s Online System (ROS).

Revenue has also indicated that it will provide further updates and information on the new return in the coming weeks.

FOOTNOTE:

1 See Revenue [e-Brief No. 103/21](https://www.revenue.ie/en/tax-professionals/ebrief/2021/no-1032021.aspx) for further details (go to: <https://www.revenue.ie/en/tax-professionals/ebrief/2021/no-1032021.aspx>).

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