



Employee share schemes

Design, Implement, Review and Launch

An attractive employee share scheme can help employers attract and retain talent. These schemes can also help incentivise participants to grow the business, and align the interest of participants with those of shareholders.

Benefits to employers

Opportunity to implement a new scheme or enhance an existing scheme to:

- 
Attract talent

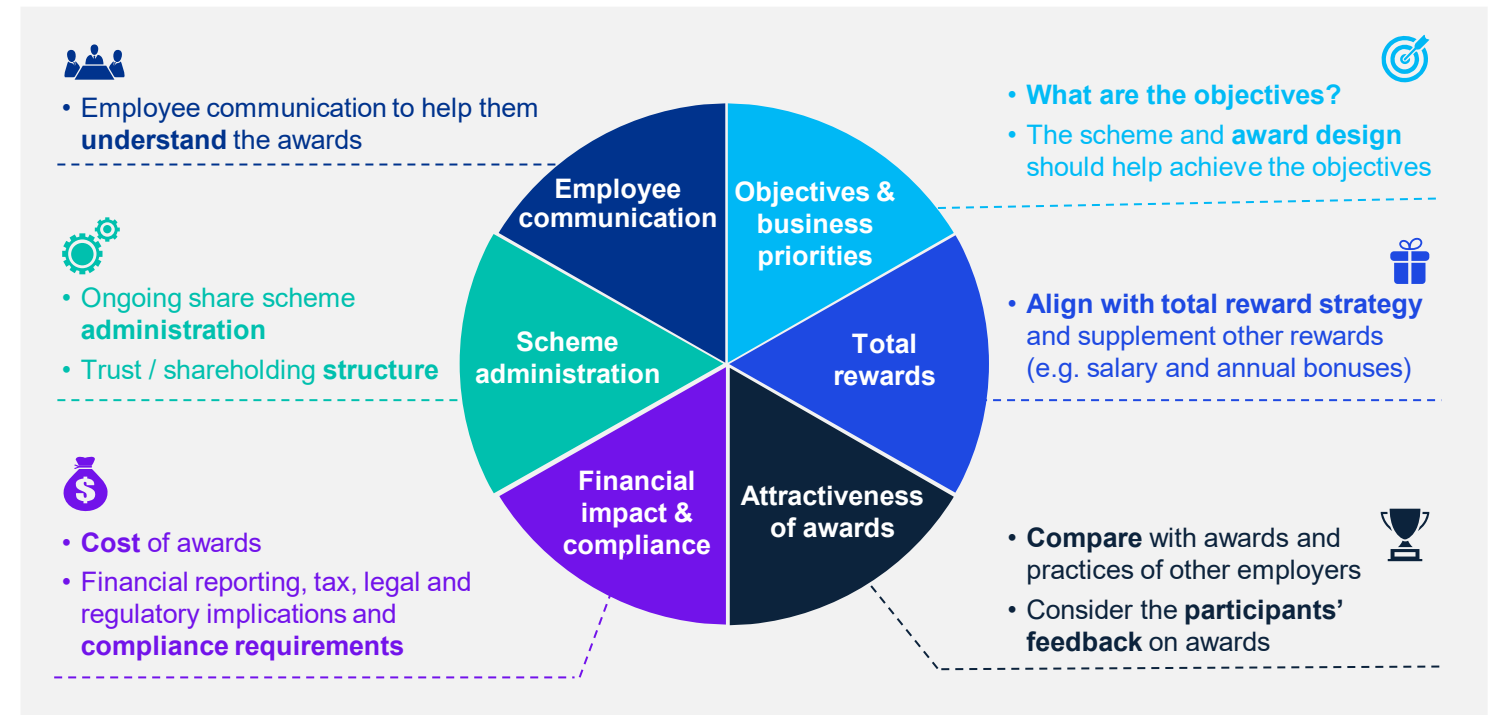
Share scheme awards are ranked amongst the **top 5 most desired types of benefits by talent in Hong Kong¹**
- 
Retain talent

Common for awards to have continued employment **vesting conditions** to help **retain talent**
- 
Incentivise

Align the participants' interest with the shareholders' interest, e.g., **increase the value** of the company **and return** to shareholders
- 
Reward

Supplement annual bonuses with long-term incentives which reward talent for continued employment and/or achievement of long-term performance targets

Key considerations



1. Hong Kong Executive Salary Outlook 2023 – <https://kpmg.com/cn/en/home/insights/2023/03/hong-kong-executive-salary-outlook-2023.html>



Employee share schemes – How we can help

Design, Implement, Review and Launch



Our service offering

KPMG offers a comprehensive solution and wide range of services to assist companies in implementing new employee share schemes, or reviewing existing schemes and practices.



Plan design / review

Design a new employee share scheme or review existing scheme, and advise on practices regarding such schemes and awards



Market trends

Share insights on schemes operated by and practices of other organisations



Legal

Advise on legal and regulatory matters, and draft scheme documents



Accounting and tax

Advise on the accounting and tax treatment of awards to the company and participants



Registration

Register the scheme and awards with the relevant authorities, e.g. for tax or foreign exchange



Launch

Assist in rolling out the scheme and awards, e.g. communication material, FAQs, seminars for participants and other stakeholders

Our team

- We have a national team in **Hong Kong SAR and the Chinese Mainland** with a **breadth of experience** on employee share scheme matters.
- In addition, we have a **global network of reward specialists** to advise on employee share scheme matters in other jurisdictions.



Contact us



Gabriel Ho
Director
+852 3927 5570
gabriel.ho@kpmg.com



Jerry Huang
Director
+86 20 3813 8641
jerry.z.huang@kpmg.com

kpmg.com/cn/socialmedia

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2023 KPMG Tax Services Limited, a Hong Kong (SAR) limited liability company and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. Printed in Hong Kong (SAR). The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.