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**Australia – New
Procedures for 2016
Employee Share Scheme
Reporting Obligations**
by KPMG, Australia (a KPMG
International member firm)

flash Alert

A Publication for Global Mobility and Tax Professionals by KPMG's Global Mobility Services Practice

Several changes to the 2016 employee share scheme ("ESS") reporting and lodgment requirements were recently announced by the Australian Taxation Office (ATO).¹ While lodgment dates remain the same, the ATO is no longer accepting paper or Bulk Load Excel Spreadsheet lodgments. This and other changes are described in this GMS *Flash Alert*.

Why This Matters

Employers will need to change the way they manage their FY16 Employee Share Scheme (ESS) reporting obligations if:

- they have internationally mobile employees participating in an ESS; and/or
- they previously relied on paper lodgments or the ATO Bulk Load Excel Spreadsheet to lodge reports.

If your organisation is impacted by the changes, it is recommended you work with your tax advisers to start planning how you will manage these new obligations now, so that FY16 reporting deadlines can be properly met.

Internationally Mobile ESS Participants

Where an ESS participant works outside Australia for some or all of the scheme's vesting period, some of the income derived at the scheme's deferred taxing point may be exempt from Australian tax.

Where some of the ESS income is exempt, employers have been able to disclose only the assessable amount when preparing its annual ESS reports.

New for FY16 will be the requirement for employers to confirm if the amounts disclosed are gross or assessable, and if only the assessable portion has been reported, additional information relating to assignment dates will also need to be reported.

Mechanism for Lodging Reports

The ATO has also changed the way that ESS is to be reported. The only lodgment channels available from FY16 onwards will be:

- Electronic Reporting Specifications; or
- Online ESS – only available where reporting is for less than 100 employees.

Footnote:

1 The changes are summarised in the ATO specifications document for software developers. Also, for additional information, see the ATO Web page: <https://www.ato.gov.au/General/Employee-share-schemes/In-detail/Employer-reporting-requirements/How-to-lodge-your-employee-share-scheme-annual-report-electronically/>.

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Don't miss the latest article in *The Expatriate Administrator*, the online "insight & analysis" journal from KPMG's Global Mobility Services practice.

["What's Your Company's Plan When It Comes to Globally Mobile Employees with Equity Awards?"](#)

by Ed Gibbons, KPMG LLP (U.S.)

This article discusses the burdens on stakeholders to comply with mobility-related tax demands, what the concerns are around withholding and reporting when employees with equity-based compensation cross borders, and how to effectively mitigate risk and foster compliance in multiple jurisdictions.

The information contained in this newsletter was submitted by the KPMG International member firm in Australia.

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