



GMS Flash Alert

Global Compensation Edition

2018-072 | April 30, 2018



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

The Employee Share Scheme (ESS) reporting for the Australian tax year ending 30 June 2018, is due on or before 14 July 2018. 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, so companies must comply. 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 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 run in parallel, 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; and
- International assignments impact reporting obligations.

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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 to 30 June 2018, must be reported to:

- employees by 14 July 2018; and
- the Australian Tax Office (ATO) by 14 August 2018.

Reporting to the ATO must meet specified electronic standard business reporting requirements, necessitating a commercial software solution.²

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

Where 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 Web site.

2 For other details and a report on last year's reporting requirements, see GMS [Flash Alert 2017-106](#), 16 June 2017.

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Contact us

For additional information or assistance, please contact your local GMS or People Services professional or one of the following professionals with the KPMG International member firm in Australia:

To find out how KPMG can assist,
visit: <http://kpmg.com/au/essreporter> .



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