KPMG

GMS Flash Alert

Global Compensation Edition

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Ireland - Updated Filing Guidance for Reporting Employee Share Schemes

The Irish tax authority ("Revenue") recently issued updated guidance regarding the process to file the annual information returns for share scheme reporting Form RSS1 and Form KEEP1.[1]

It is worthwhile bearing in mind the following compliance matters:

1. Form RSS1 - employers must return details of the grant, exercise, assignment, or release of unapproved share options.

2. Form KEEP1 - employers must return information in respect of the grant, exercise, assignment, or release of qualifying share options awarded to directors and employees under the Key Employee Engagement Programme (KEEP) scheme.

The due date for filing these returns is on or before 31 March in the following year, i.e., the **due date** to file the Forms RSS1 and KEEP1 in respect of the 2019 tax year is **31 March 2020**.

WHY THIS MATTERS

For prior years, employers or their tax agents could upload the Forms RSS1 and Forms KEEP1 through Revenue's secure file transfer service. From now on, employers must register with Revenue that they have a share scheme reporting requirement (SSR) online via Revenue's Online Service (ROS), similar to the process they would undertake if they were registering for a new tax head with Revenue. In contrast with prior years' compliance steps, now there is an additional step to file the 2019 returns.

Employers will need to build in sufficient time to complete registration prior to the filing/reporting deadline.

More Details

Tax agents can register their clients for SSR upon receipt of a signed agent link authorisation from their client. The agent link can be uploaded to ROS when the SSR registration application is being completed.

KPMG NOTE

The registration takes up to three working days to be processed by Revenue. As such, employers need to make sure that they have allowed sufficient time to complete the registration procedure, or that they give their tax agents sufficient time to register them for SSR, in advance of the 31 March deadline. Employers are reminded that this is an additional step to file the 2019 returns when compared to prior years.

As outlined in GMS *Flash Alert* 2019-019, compliance with meeting the due date for filing Form KEEP1 in relation to the tax-favoured qualifying Key Employee Engagement Programme options is extremely important. Failure to comply with this mandatory filing obligation will result in the company not being regarded as a qualifying company for KEEP and the tax-favoured treatment being lost for their employees. In the cases of Revenue-approved schemes (such as approved profit sharing schemes, employee share ownership trusts, and save-as-you-earn share option schemes), Revenue approval of the scheme can be withdrawn.

FOOTNOTE:

1 Revenue Commissioners December 11 updated guidance for the online filing procedures for the returns of share options form (RSS1) and the Key Employee Engagement Programme form (KEEP1). See Revenue eBrief No. 209/19.

For more details on KEEP and share scheme reporting, see our earlier reports in the following issues of GMS *Flash Alert*: 2019-019 (6 February 2019), 2018-018 (25 January 2018), and 2018-011 (17 January 2018), and 2017-163 (10 November 2017); also see GMS *Flash Alert* 2019-143 (13 September 2019).

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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 Ireland:

Gemma Jacobsen
Tel. + 353 1 410 1768
gemma.jacobsen@kpmg.ie

Thalia O'Toole
Tel. +353 1 410 2745
thalia.otoole@kpmg.ie

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