

NEW REGISTRATION REQUIREMENTS FOR UK SHARE PLANS

FAQs for Non-UK Issuers

1. What does registration involve?

Registration is a process by which you inform the UK tax authorities (HMRC) that you are operating share plans in the UK. This registration acts as a gateway for being able to complete online returns and self certification of tax-advantaged plans. Once notified, each registered plan will receive a unique reference number, which is needed in order to file the annual return for that plan. You will not be required to submit any plan documentation to HMRC as part of the registration process. You will be asked to complete certain information about the plan, such as plan name and tax year of first event.

2. What sorts of share plans will trigger the registration requirement?

Any share plan or other arrangement in which UK employees participate needs to be registered. You will definitely need to register any plan under which you grant RSUs, restricted stock, options or stock-settled SARs. You will also need to register if you offer an ESPP into the UK.

As a general rule of thumb, if you previously had to submit an annual return to HMRC in hard copy, you should register the plan with HMRC.

3. Do I need to register my plans if I only have a handful of employees in the UK?

Yes. There is no de minimis threshold. Even if you grant just one award to one employee in the UK, you would still need to register.

4. I have more than one plan in the UK, do I need to register each plan?

Not necessarily (apart from tax-advantaged plans). Each tax-advantaged plan must be registered separately (see question below about identifying a tax-advantaged plan).

If you operate multiple non-tax advantaged plans in the UK, it is up to you whether you register the plans separately. More than one non-tax advantaged plan can be included under one registration, which reduces the number of annual returns that will need to be filed. A separate annual return is required for each registration. We expect that most companies will want to include most, if not all, of their non-tax advantaged plans under one registration in order to reduce the administrative burden of filing separate annual returns. If you have different administrators for different plans, you may wish to register the plans separately, but you could register them under the same registration.

5. Which company will register my share plans?

In order to register your share plans, you need to access HMRC online services. Any company with an active UK PAYE reference number should have access or be able to obtain access to this service. You can choose any group company that has an active UK PAYE reference number.

When you are registering your scheme and completing the information required by HMRC, you will be asked for the Corporation Tax Reference and the Company Registration Number. This information relates to the plan organizer. If your plan is run by a company outside the UK (e.g. a US parent), these fields should be left blank.

6. I have more than one UK entity, does each entity need to do the registration?

No. One company can register for all group companies that operate that plan. This will mean completing one annual return for the group.

If you have distinct entities within your group with distinct administration/share plans, it would be open to you to have separate companies register those plans, but on the whole we expect most groups to use just one company for registration.

7. What happens if I do not have a UK entity?

Check whether any of your other entities have an active PAYE reference number. If not, contact the Employer Helpline on +44 300 200 3200.

8. What if I outsource all my payroll functions to an external third party?

Your company should still have login details for PAYE for employers. Your payroll provider will only have agent access but the company should have the organisational account. If you cannot find your login details click on the link for "Lost User ID" at the website [here](#).

9. Should I register the plans from the US or the UK?

We expect that most registrations will occur from the UK because registration takes place through HMRC's website, access to which requires a UK PAYE reference number. The position may vary between companies but if the registration does occur from the UK, the non-UK team should instruct their UK colleagues on precisely what they want registered, including the number of plans to be registered and the name of each plan.

You may find that the UK team is unwilling to give you the login details to register the plan from outside the UK. This is because anyone with access to register the plan, will also have access to the payroll data. Therefore, the UK team may be reluctant to share access to this system. Once the share plans are registered, you can file annual returns from outside the UK using agent access, which will not give you access to the payroll data. Please note that agents cannot register the plans.

10. How do I know if I have tax-advantaged plans?

In order to qualify as a tax-advantaged plan, specific legislative requirements need to be met. If your non-UK plan does not have a UK sub-plan, it is highly unlikely that you have a UK tax-advantaged plan.

11. Is an ISO a tax-advantaged plan?

Not for UK purposes. An ISO is a tax-advantaged plan in the US. This and any other tax-advantaged scheme in any other country will not be a tax-advantaged plan in the UK, unless specific adaptations have been made to meet the requirements of UK legislation. When the slides discuss tax-advantaged plans, they mean plans that provide UK tax benefits for employees.

12. What are non-tax advantaged plans called?

Any non-tax advantaged plans should be registered under "other". This term incorporates any type of plan or any type of award that does not receive beneficial tax treatment in the UK.

13. Can I register different awards under the same registration?

Yes, if your plans grants different types of awards (e.g. RSAs and RSUs) or you have two non-tax advantaged plans that offer different types of awards, you can include both types of awards and both non-tax advantaged plans under one registration.