



HM Revenue & Customs

Employee Share Schemes Unit
Room G45
100 Parliament Street
London
SW1A 2BQ

THE COMPANY SECRETARY

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IMPORTANT

Some of you have registered your schemes online under the wrong scheme type and more than once. Use how to identify your scheme type below and re-register it correctly. You will also have to cease the scheme you registered incorrectly and make a nil annual return.

What happens if you fail to register your tax-advantaged scheme or register it incorrectly?

Pre-6 April 2014 HMRC approved SAYE & SIP schemes will no longer be tax-advantaged so awards or grants made in 2014-15 will not get tax-advantages. SAYE & SIP awards or grants made prior to 6 April 2014 will be protected.

Pre-6 April 2014 HMRC approved CSOP schemes will no longer be tax-advantaged so awards or grants made in 2014-15 will not get tax-advantages. Grants made prior to 6 April 2014 will **NOT** be protected.

Consequences of registering your scheme incorrectly and submitting an incorrect annual return.

This could attract a penalty of up to £5,000 as well the loss of tax-advantages on awards and grants made in 2014-15 and for CSOP also the loss of tax-advantages on unexercised options granted prior to 6 April 2014.

How to identify your scheme type

Tax-advantaged Company Share Option Plan (CSOP)

Pre-6 April 2014 CSOP plans approved by HMRC will have a reference number like X012345 and you would have completed an annual return Form 35. Post 6 April 2014 your scheme must meet the requirements of Part 2 to 6 of Schedule 4, ITEPA 2003.

Tax-advantaged Save As You Earn Option Scheme (SAYE)

Pre-6 April 2014 SAYE schemes approved by HMRC will have a reference number like SRS012345 and you would have completed an annual return Form 34. Post 6 April 2014 your scheme must meet the requirements of Part 2 to 7 of Schedule 3, ITEPA 2003.

Information is available in large print, audio and Braille formats. Text Relay service prefix number 18001



Assistant Director: Adrian Cooper

Tax-advantaged Share Incentive Plan (SIP)

Pre-6 April 2014 SIP plans approved by HMRC will have a reference number like A012345 and you would have completed an annual return Form 39. Post 6 April 2014 your scheme must meet the requirements of Part 2 to 9 of Schedule 2, **ITEPA 2003**.

Tax-advantaged Enterprise Management Incentive (EMI) schemes and arrangements

Prior to 6 April 2014 you would have completed an annual return Form 40 and completed paper EMI for grant of options and submitting them to HMRC within 92 days. Post 6 April 2014 your grant of **EMI** options must meet the requirements of Schedule 5, **ITEPA 2003**.

Non tax-advantaged "Other" schemes and arrangements

For pre-6 April 2014 schemes or arrangements you will have a reference number like U012345 and you would have completed an annual return Form 42. Post 6 April 2014 these are reportable events under section 421K of Part 7, **ITEPA 2003**.

Ceasing an incorrectly registered scheme

In the ERS service select 'view schemes and arrangements', select scheme and in date of final event put a date that is in the tax year 2014-15. You will need to complete a nil annual return for 2014-15 for the ceased scheme.

How many schemes to be registered?

Each tax-advantaged CSOP, SAYE and SIP schemes should be registered **separately and only once**. Don't register these schemes under each subsidiary company participating in the scheme. You provide that information as part of the annual return process. Register EMI schemes & arrangements only once for all grants of EMI options. Two or more non tax-advantaged schemes or arrangements can be registered as one scheme or as separate schemes. You will need to make an annual return for each scheme you have registered.

This is the information you will need to register a scheme

1. Previously approved by HMRC use guide above how to identify your scheme type.
2. Tax year of the first event choose the tax year **2014-15**
3. Scheme name - put the company name plus scheme name shown on the scheme rules.
4. Corporation Tax (CT) reference number. If you are not registered for CT leave blank
5. Company registration number. If it is a non UK company leave blank.

Only CSOP, SAYE and SIP have to be self-certified as meeting the requirements of the legislation as shown above. You will have to make a declaration that all the information provided on registration of a scheme is accurate and complete.

To submit an annual return online you download and complete the relevant templates from <https://www.gov.uk/government/collections/employment-related-securities>. If there is nothing to report then you make a nil return declaration online.

Then go back into the system view schemes & arrangements select the scheme, select tax year 2014-15 and follow the online screen instructions including uploading the template.

The penalties for failure to submit year annual return by 6 April 2015

Return outstanding at 7 July 2015 — £100 penalty

Return outstanding after 3 months - £300 additional penalty

Return outstanding after 6 months - £300 additional penalty

Return outstanding after 9 months - £10 additional penalty for each day it remains outstanding.

The Employment Related Securities (ERS) Bulletins are a source of information and should be read. Here is link <https://www.gov.uk/government/publications/employment-related-securities-bulletin>

Yours faithfully

Susan Lambert