



3 May 2017

Employee Incentives Group

Share plan annual returns – file early to avoid penalties!

The 2016/17 tax year ended on 5 April and any company operating employee share incentive arrangements (whether tax-advantaged or not) will need to file online returns **by 6 July 2017**. Failure to file on time leads to automatic penalties (initially £100 even if a return is just one day late) so we encourage you to **submit your returns as early as possible**.

A share plan has to be **registered with HMRC** before an online return can be submitted and to do this you need to have access to 'PAYE for Employers' through the HMRC Online Service. If you have not already registered a share plan then you will need to allow time to do this. If you are already signed up to the HMRC Online Service but are not sure whether you have registered a plan you can check by going to the "view" tab in your online account. This will then list all the plans that are registered to your PAYE reference number. For more information about the process for registering your share plans [CLICK HERE](#).

Remember, once a share plan is registered, you **must submit a return even if there has been no activity** (for example, no new grants) during the year. With a few exceptions, the registration and filing requirement applies equally to acquisitions of shares by employees and directors that are not made under a formal set of plan rules.

Although HMRC continually seeks to improve the online returns process, it can be tricky and time consuming to navigate. It is **important that the information provided is correct** as HMRC may charge a penalty of up to £5,000 if a return contains a material inaccuracy.

We would be happy to discuss your share plan filing requirements with you and answer any questions you may have about the process. Please do not hesitate to contact a member of the Travers Smith Employee Incentives Group:

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