Cooley

UK Reporting for Share Plans With UK Participants Due 6 July

May 2, 2025

The deadline is approaching for the HM Revenue & Customs (HMRC) year-end reporting requirements for companies in the UK, US and elsewhere with share options and other share awards granted to – and share acquisitions by – UK employees between 6 April 2024 and 5 April 2025. Reporting also may be required in respect of non-UK resident employees who carry out work duties in the UK.

Companies must submit these annual returns by midnight (UK time) on Sunday, 6 July 2025, via the HMRC employment-related securities (ERS) online service. By such date, the company must have:

- Registered to use the service.
- Registered each plan or arrangement.
- Self-certified any UK tax-advantaged plans.
- Reported each share award grant and share acquisition related to a share award that occurred during the relevant reporting period.

If you have not yet registered to use the ERS online service, you should do so as soon as possible and by no later than 29 June 2025, as registration may take several days.

A return is still required for each plan covering UK employees even if there have been no reportable events (e.g., no grants or option exercises) under the plan in the relevant tax year for UK reporting periods (which run from 6 April to the following 5 April), until you have notified HMRC that the plan has ceased through the ERS online service.

Online filing of annual returns for UK tax-advantaged and non-tax-advantaged plans or arrangements

The requirements catch all share options and share awards granted to – as well as shares acquired by – UK employees by reason of their employment, including participation in non-UK arrangements, such as US employee stock purchase plans (ESPPs). The requirements also cover the cancellation of existing share awards and certain other events, such as variations, lapses and sales of shares for more than market value.

A separate online return must be filed to report transactions under each registered UK tax-advantaged plan – enterprise management incentives (EMIs), company share option plans (CSOPs), save-as-you-earn (SAYE) plans and share incentive plans (SIPs) – by the 6 July deadline.

Non-tax-advantaged plans or arrangements

Non-tax advantaged plans or arrangements are referred to on the HMRC website as “other” plans. You can choose whether to file separate returns for each arrangement or a single return covering transactions occurring under all non-tax-advantaged plans and arrangements. The returns are required to contain details of any share options that have been granted or exercised, as well as any other reportable events in relation to employment-related securities (including cancellations, variations, lapses, transactions in relation to restricted stock units and sales of shares for more than market value).

View the ERS annual return templates and associated HMRC guidance.

Penalties for noncompliance

Failure to timely file the required annual returns results in an automatic penalty of £100 per plan/arrangement, and any benefits from tax-advantaged plans may be lost. Additional penalties will apply where annual returns remain outstanding on 6 October 2025 (an additional £300) and on 6 January 2026 (a further £300), with HMRC having discretion to impose further penalties in respect of any annual returns that remain outstanding after 6 April 2026.

In addition to penalties for failing to file annual returns, failure to register a tax-advantaged plan will affect the tax treatment of future participants – and additionally, in the case of CSOPs, current participants.

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