

New Australian Employee Share Scheme Tax Rules Effective July 1, 2015

July 16, 2015

Several changes to the Australian employee share scheme tax rules became effective July 1, 2015. As enacted, the new rules reverse certain rule changes made in 2009 and provide for (i) deferring taxation of options until the time of exercise, rather than upon vesting; (ii) extending the maximum tax deferral period from seven years to 15 years from the acquisition date of a share right; and (iii) increasing the maximum share ownership limit used to determine eligibility for tax deferrals on share rights from five percent to 10 percent. In addition, the new rules provide certain tax concessions for employees of small start-up companies. Additional information on the new tax rules is available on the Australian Taxation Office's website [here](#).