

## Employee stock option plans: a new reporting requirement for employers

### Luxembourg tax alert

**29 Decembre 2015**

On 28 December 2015, the director of the Luxembourg tax authorities issued Circular L.I.R. n° 104/2bis relating to employee stock option plans (be they stock option plans or warrant plans).

No specific legislation rules in Luxembourg the grant of employee stock option plans. An administrative circular dated 20 December 2012 ([here](#)) defines their tax treatment.

The circular ([here](#)) released yesterday ("2015 circular") does not modify the principles of taxation set by the 2012 circular, but merely introduces a new reporting requirement.

As from 1 January 2016, employers who intend to set up stock option /warrant plans will have to notify the competent tax office in charge of withholdings on employment income at least two months before the implementation date of the plan. The notification shall include a copy of the plan rules as well as a list of the beneficiaries of the above-mentioned plan.

Furthermore, for all plans set up prior to 1 January 2016, but for which the grant of options /warrants did not yet take place, employers are obliged to also inform the competent tax office in charge of withholdings on employment income at their earliest convenience.

It should be noted, however, that the 2015 circular refers only to a notification and not to an upfront agreement.

We remain available for any questions you may have and will keep you posted on any further developments.

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