

## RECENT POLICY DECISIONS REGARDING EMPLOYEE SHARE OWNERSHIP IN EUROPEAN COUNTRIES

NEGATIVE	POSITIVE
<b>Ireland:</b> From 1.1.2024: New employer tax withholding and reporting obligations for employee stock options.	
	<b>Germany:</b> From 1.1.2024: Tax-exempt threshold increased from 1,440 € to 2,000 € annually.
	<b>Czechia:</b> From 1.1.2014: Tax exemption for share and option plans for startups.
	<b>Hungary:</b> From 1.1.2014: Tax exemption for share and option plans for startups.
	<b>Finland:</b> From 1.4.2023: Personnel Fund scheme extended to SMEs.
<b>Norway:</b> From 1.1.2022: End of fiscal incentives for employee share plans.	
	<b>Germany:</b> From 1.7.2021: The tax-exempt threshold of 360 € increases to 1,440 € for qualifying equity awards.
	<b>Latvia:</b> From 1.1.2021: Extended tax exemptions for stock options in SMEs and startups.
	<b>Norway:</b> From 1.1.2021: Tax exemption on discounted prices under broad-based employee share plans up to tax-free limit of NOK 7.500 in place of 5.000.
	<b>France:</b> New tax exemptions in 2021 and 2022 (the " <i>forfait social</i> " tax being canceled) to promote employee share ownership in large companies and in SMEs.
	<b>Serbia:</b> From 1.4.2020, legal framework for stock options in LLCs including tax and social security exemption regime.
	<b>Lithuania:</b> From 1.2.2020, exemption from income tax and social security contributions on stock options.
	<b>Greece:</b> From 1.1.2020, exemption from salaried income taxation on stock options (but taxation as capital gains at 15% rate, and 5% for small startups).
	<b>Norway:</b> From 1.1.2020, enlarged conditions for the deferral of social security contributions and income tax payments on stock options.
	<b>France:</b> From 1.1.2019, 10% in place of 20% for the " <i>forfait social</i> " (corporate social contribution), and to 0% on profit sharing in SMEs and on employee savings in small enterprises ("PACTE Law" - Action Plan for Business Growth and Transformation aiming at doubling employee share ownership in France by 2030).
	<b>Serbia:</b> From 1.1.2019, exemption regime of income tax on shares pursuant to an award (if not sold within two years of acquisition).
	<b>Croatia:</b> From 1.1.2019, taxation as capital income rather than as salary on share awards or benefits from exercised stock options.
	<b>Denmark:</b> From 1.1.2019, more freedom of contracts for stock options.
	<b>Denmark:</b> From 1.1.2018, exemption of salary taxation for broad-based plans, up to 20% of the annual salary being received in shares, conditional share awards or options.
	<b>Sweden:</b> From 1.1.2018, easing of taxation of stock options in start-up companies (benefit will not be taxed

	when the employee exercises the option but instead taxation will be deferred to sale; as a result, employers will also be exempt from paying social security on stock options).
	<b>Netherlands:</b> From 1.1.2018, favorable tax treatment of stock options for employees of innovative start-ups.
	<b>Ireland:</b> In 2018, new share incentive scheme for SMEs, the Key Employee Engagement Programme (KEEP) – a dedicated share options incentive scheme for SMEs, providing a favourable tax treatment for stock options.
	<b>France:</b> Employers' social contribution on RSUs ("actions gratuites") is reduced again from 30 to 20% in 2018.
	<b>Austria:</b> From 1.1.2018, introduction of a third employee share scheme, providing exemption of tax and social contribution up to 4.500€ annually.
	<b>Sweden:</b> August 2017: Tax exemption for shares received as Christmas, anniversary or special memorial gift (up to 1.500 € annually).
	<b>Norway:</b> From 1.1.2017, tax free rebate on participating in Employee share programs increased from 1,500 NOK to 3,000 NOK.
<b>France:</b> From 1.1.2017: Back to higher taxation on free shares as before 7.8.2015 (30% in place of 20%).	
	<b>Denmark:</b> From 1.7.2016, return to favorable tax regimes on employee share and option plans, as applied until 2011.
	<b>Iceland:</b> From 1.6.2016, income tax on stock options deferred until sale of exercised shares.
	<b>Lithuania:</b> From 1.1.2016, exemption regime of social security contribution on stock options.
	<b>Hungary:</b> From 1.1.2016, new type of ESOP trust with more favorable conditions in terms of tax and social contributions.
	<b>Romania:</b> From 1.1.2016, more favorable tax regimes on employee stock options and RSUs.
	<b>Austria:</b> From 1.1.2016, income tax exemption on employee share plans increased from 1.460 to 3.000 € per year.
	<b>France:</b> From 7.8.2015, lower taxation on free share awards for employers (20% in place of 30% and even 0% up to 9.500 € for certain startups) and for employees (50% of reduction if shares held more than 2 years).
	<b>Spain:</b> February 2015: The tax exemption for the first 12.000€ of income realized from employee share plans will NOT be removed (as was proposed in September 2014). New condition: The tax exemption applies to all-employee plans.
<b>France:</b> August 2014: The emblematic legislation of 1986 was abolished (which required to a 10% offer reserved for employees in case of privatization. - Requisite was restored in 2015 in the case of public offers).	
	<b>United Kingdom:</b> From 6.4.2014: - Full exemption from Capital Gain Tax on the sale of a controlling interest to an employee ownership trust. - Income tax exemption for bonuses of up to £3.600 per tax year paid to employees of companies controlled by an employee ownership trust.
	<b>United Kingdom:</b> From 1.4.2014: - The limits for tax advantages on sharesave schemes will double from £250 to £500 a month. - The maximum value of shares an employee can acquire with tax advantages through share incentive plans (SIP) will increase by £300 a year, to £1,800 for partnership shares and £3,600 for free shares.

	<b>Hungary:</b> From 1.1.2014, simplification of employee share plans. Income tax exemption maintained on benefits of up to HUF 1 million (approximately 3.300 €) per participant per year.
	<b>United Kingdom:</b> From 1.9.2013: New tax free "shares for workers' rights" scheme.
	<b>Latvia:</b> From 1.1.2013: Income tax & social security exemption on benefits from employee share plans if shares are blocked for at least 3 years.
	<b>United Kingdom:</b> October 2012: Government Action Plan for promoting employee ownership, as proposed in the "Nuttall Review".
<b>France:</b> From 28.9.2012, income tax exemption abolished on benefits from stock options and restricted share awards (" <i>actions gratuites</i> ").	
<b>France:</b> From 11.7.2012, higher employers' social contribution on free share awards (30%).	
<b>Netherlands:</b> From 1994, <i>Spaarloonregeling</i> offered Dutch employees the opportunity to build up financial assets by saving tax free part of their salary. From 1.1.2012, tax exemption on employee savings were removed.	
<b>Ireland:</b> From 1.1.2012, employee social insurance (PRSI) of 4% and Universal Social Charge of up to 7% on income gains from employee share and option plans.	
<b>Greece:</b> From 1.1.2012, tax incentives on employee share and option plans were removed.	
<b>Denmark:</b> From 21.11.2011, tax favorable regimes on employee share and option plans were removed.	
	<b>Finland:</b> From 1.1.2011, new Personnel Funds Act (partial exemption from income tax, exemption from social security contribution).
	<b>Estonia:</b> From 1.1.2011, exemption regime of income tax on stock options.
<b>France:</b> From 1.1.2009, special tax of 2% (" <i>forfait social</i> ") on companies' contributions to employee share plans. From 1.1.2010: 4%. From 1.1.2011: 6%. From 1.1.2012: 8%. From 1.8.2012: 20%.	