



Global Reward Update — Wrap Up

May 2026

Now that spring is underway it seems like a good time for some share plan “spring cleaning” and checking in on key developments impacting global incentive plans since our last update. Some are an update on information provided in previous Global Reward Updates (GRUs) and others are new developments. We hope this summary is useful, and if you have any questions, please do get in touch with your usual Deloitte contact or any of the Incentives partners listed on the final page.

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Global tax & legal updates

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Canada – Foreign asset reporting - Quebec introduces new provincial filing requirement

Revenu Québec has introduced a new filing requirement which applies to tax residents of Quebec in respect of foreign assets (including shares in foreign companies) held outside Canada. The new Foreign Property Return (Form TP-1079.8.BE.V) must be completed in addition to the federal foreign asset reporting form (Form T1135) where the total cost of foreign assets held outside Canada exceeds \$100,000 at any point in the tax year.

The filing deadline in respect of the 2025 tax year was 30 April 2026. Penalties and interest will apply in respect of late filing or omissions.

Please contact us if you would like our assistance or have any questions relating to the above.



Hungary — Increased scrutiny of global share plans by tax authorities

The Hungarian tax authorities have recently increased the focus of audit activity on global share plan related income. The tax authorities are actively gathering information relating to global share plan benefits received by individuals and reviewing individual income tax reporting for the 2020 to 2024 tax periods to ensure that participating employees are paying the correct tax and complying with their reporting obligations.

The key areas of focus in relation to the 2020 to 2024 tax periods are:

- the exercise/vest of options/RSUs; and
- dividend distributions/sales of shares by employees.

Given the complexity of the relevant tax rules, we recommend that employers consider updating their employee communications and/or providing support to local employees participating in global share plans.

Please contact us if you would like to discuss the above in further detail or would like our assistance in preparing employee communications.



Israel – Tax relief for new immigrants and returning residents approved

In our December 2025 edition of the Global Wrap Up (here is the [link](#)) we covered the proposed tax reforms for new immigrants and returning residents. On 31 March 2026, the Finance Committee and the Knesset approved and accepted the Economic Efficiency Law.

Please note that the annual income ceiling for 2026 has been updated to 600,000 NIS and to 1,000,000 NIS for 2027 and 2028 respectively.

Please contact us if you would like to discuss this in further detail.



South Korea — Expansion of South Korea's Exit Tax to include overseas shares

On 2 December 2025, the South Korean National Assembly approved the proposed income tax law revisions, including proposals to expand the South Korea exit tax regime which we covered in our August 2025 edition of Global Wrap Up (here is the [link](#)).

As anticipated, the revisions will be effective for residents who permanently depart South Korea on or after 1 January 2027. The scope of the exit tax has been expanded to cover overseas shares in addition to domestic shares subject to certain exemptions designed to provide relief in specific situations.

The tax rates applicable under the exit tax have been clarified. While the rates for domestic shares remain unchanged, the rates for overseas shares are now specified as 10% of the tax base for shares of Small and Medium-sized Enterprises, or 20% of the tax base for all other types of shares. Please note that a local income tax equal to 10% of the exit taxes will also be due.

Please contact us if you'd like to discuss the exemptions or any other aspect of the exit tax in further detail.



South Korea — Introduction of overseas trust reporting obligation

The National Tax Service (NTS) has introduced a reporting obligation for overseas trusts through the 2023 tax law amendments, with the submission of overseas trust statements beginning in 2026 for trusts established in the 2025 tax year.

As part of the new reporting obligation for overseas trusts, residents and domestic corporations who establish or contribute to foreign trusts similar to those under the Korean “Trust Act” are required to submit form 51-2 “Overseas Trust Statement”.

Please note that this reporting obligation does not apply to short-term resident aliens and exemptions may apply in certain circumstances. Penalties also may be imposed for each year in which non-compliance occurs.

The overseas trust report must be submitted by 30 June following the end of the relevant tax year.

Please contact us if you have any questions in relation to the above.



United Kingdom – Short term business visitors’ equity awards not reportable on ERS return where awards not taxable in the UK

On 10 July 2025, HMRC published guidance stating that short term business visitors (STBVs) holding equity awards should be included on the annual employment related securities (ERS) return, even if the awards in question were not subject to UK income tax or National Insurance Contributions (NICs). Following further consideration, HMRC issued further guidance on 27 February 2026 which confirmed that non-tax advantaged ERS reporting will not be required for STBVs covered by appendix 4 agreements provided that no UK income tax or NICs are due. This is a welcome change for employers as the 6 July 2026 deadline approaches for filing the 2025/2026 ERS return.

Please contact us if you’d like to discuss this matter in further detail or if you require our assistance more generally in relation to ERS reporting.



United Kingdom — HMRC guidance in relation to employment related securities (ERS) reporting obligations for net-settled awards

HMRC are changing how net-settled awards should be reported on the annual ERS return.

Awards are “net-settled” where the employer uses its own cash to settle any Income Tax and employee National Insurance Contributions (NICs) that are due to HMRC at the relevant tax point. The employer provides fewer securities to the employee, such that the employee then receives securities equal to the value after tax (net).

Previously, employers were required to include two lines of data on the annual ERS return: one to report the shares acquired, and one to report the cash-settled amount.

Employers will no longer need to report two lines of information for net-settled awards and will only need to complete one row of information per individual event when submitting the end of year ERS return.

Whilst the number of lines of data will be reduced, the level of detail that is reported to HMRC will not change. It is therefore important that employers continue to retain records of any cash-settled amounts, and which show they have accounted for income tax and NICs correctly.

Any late end of year returns for the 2024/2025 tax year or earlier should be submitted in line with the new guidance. Corrected end of year returns for the 2024/25 tax year or earlier may be submitted in accordance with the previous guidance (i.e. by completing two rows of information for each employee receiving a net-settled award).

Further information, including examples of how net-settlement should be reported in the end of year return, can be found in the HMRC ERS Bulletin No.63 which can be found [here](#).

Please contact us if you would like our assistance in considering any of the above.



United Kingdom — New Prospectus Regime in the UK

In July 2025, the Financial Conduct Authority (FCA) published a policy statement which sets out the final rules to implement the Public Offers and Admissions to Trading Regulations 2024 (POATRs). The new prospectus rules came into force on 19 January 2026. The POATRs form part of a wider process of reform of the UK’s capital market rules which are intended to make it easier for companies to raise capital in the UK and reduce costs for companies, including major changes to the UK Listing Rules which were introduced in 2024.

Companies wishing to make offers of shares to employees in the UK are generally able to rely on an ‘employee share scheme exemption’ from the requirement to publish a prospectus. The ‘employee share scheme exemption’, and the various other exemptions available to companies in this context, have all been carried over to the POATRs. As such, the new rules are not expected to have a major impact on employee share plan offerings. However, there are some points of detail in relation to the employee share scheme exemption which will differ under the new provisions. For example, whilst the POATRs will continue to require the offeror to provide information to participants in relation to the number and nature of shares being offered and the reason for and details of the offer, under the new provisions, this information will have to be included in, or accompany the offer itself, rather than simply being ‘made available’ to participants (e.g., on a company website).

Please contact us if you would like our assistance in relation to the above.

Who to contact



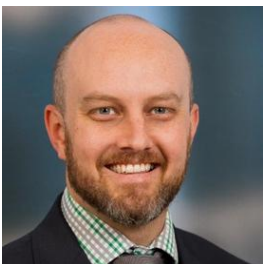
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