

4 February 2022

Market Conduct Division
Treasury
Langton Cres
PARKES ACT 2600

via email: essreforms@treasury.gov.au

Dear Sir/Madam

Employee Share Schemes (ESS) – December 2021

We support the proposed adjustments to the ESS arrangements included in this exposure draft legislation. We agree they will offer relief from the regulatory burden for those time and resource poor small businesses using ESS to reward and engage their employees and service providers.

However, we maintain our view that from the perspective of small business operators ESS are complicated and opaque. Consistent with recommendations from the Standing Committee on Tax and Revenue's inquiry into the tax treatment of employee share schemes¹ (the Inquiry) we suggest that up-to-date data on ESS use be regularly published and that a public awareness program be maintained to adequately inform small businesses of the existence, usage, and attributes of ESS.

Moreover, we support the recommendation from the Inquiry that a one stop shop approach be adopted by the Australian Taxation Office for ESS, including providing access to simplified documentation and processes, and the introduction of a point of contact to answer circumstance specific queries.

Thank you for the opportunity to comment. If you would like to discuss this matter further, please contact Mike Kearney on 02 5114 6119 or at michael.kearney@asbfeo.gov.au.

Yours sincerely



The Hon. Bruce Billson
Australian Small Business and Family Enterprise Ombudsman

¹ House of Representatives Standing Committee on Tax and Revenue, "Owning a share of your work: Tax treatment of Employee Share Schemes", August 2021