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PREPARE FOR THE NEW FORM 42

FILING DEADLINE 6TH JULY 2007

BY HILLIER HOPKINS LLP

With the deadline for filing the revised Form 42 fast approaching, Home Counties based accountancy practice Hillier Hopkins LLP is warning all local businesses to ensure that they are fully compliant or risk being liable for substantial penalties.

Form 42 requires details of 'reportable events' in relation to securities and options that are obtained by reason of employment during the tax year, which are to be reported to the Employee Shares and Securities Unit (ESSU).

The difference this tax year, however, lies in the fact that as a result of the introduction a new online filing system on the HMRC website, the Revenue is no longer sending out a paper copy of the form but rather a 'Notice to File a Form 42.'

As such, all those who were issued with a notice have until the 6 July 2007 to file the form, either by the newly available electronic method or via the standard paper form.

As notices have been issued this year rather the actual forms, it is a concern that many local businesses will not action the forms until it is too late.

All businesses that have received a notice should first decide whether they are going to file their form electronically or on paper. If filing electronically it is important to first register with HMRC in order to use their online service. While those who would prefer to file a paper form can print a copy from HMRC website or request a copy from the ESSU but must allow time for postage.

It is also important for those that have received a notice but have no 'reportable events' to still file a nil report. If a business has not received a notice but a 'reportable event' has taken place, it is still under an obligation to fill in Form 42.

With substantial penalties for failing to file a Form 42, including charges of up to £300 fixed penalty and up to £60 daily penalty per reportable event, it is important for businesses to ensure compliance.

For more information please contact Hillier Hopkins on 01442 269341 or email info@hhllp.co.uk

Source: HMRC, Employment Related Securities. A guide to completing Form 42
<http://www.hmrc.gov.uk/shareschemes/form42.htm>
<http://www.hmrc.gov.uk/manuals/ersmmanual/ERSM140000.htm>