



Status: **legally binding**

Class Ruling

Just Eggs Pty Limited – employee share scheme – reducing the minimum holding period

❶ Relying on this Ruling

This publication is a public ruling for the purposes of the *Taxation Administration Act 1953*.

If this Ruling applies to you, and you correctly rely on it, we will apply the law to you in the way set out in this Ruling. That is, you will not pay any more tax or penalties or interest in respect of the matters covered by this Ruling.

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What this Ruling is about

1. This Ruling sets out the income tax consequences for employees of Just Eggs Pty Limited (Just Eggs) who exercised their options under the Employee Share Option Plan (ESOP) and subsequently sold the shares to Seedtag Advertising SL (Seedtag).
2. Details of this scheme are set out in paragraphs 8 to 19 of this Ruling.
3. All legislative references in this Ruling are to the *Income Tax Assessment Act 1997*, unless otherwise indicated.

Who this Ruling applies to

4. This Ruling applies to you if you:
 - acquired options under the ESOP in April 2023, which you held at all times until they were required to be exercised and the resulting shares sold on 17 June 2024, pursuant to the Share Purchase Agreement (SPA)
 - were entitled to reduce the amount included in your assessable income in accordance with section 83A-33 (with the exception of the condition in subsection 83A-45(4) – minimum holding period) when you acquired the options, and
 - were employed by Just Eggs at all times from the date you acquired the options until 17 June 2024.

When this Ruling applies

5. This Ruling applies from 1 July 2023 to 30 June 2024.

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Ruling

6. The Commissioner will allow the minimum holding period to end at the earlier time of 17 June 2024 for the options you acquired under the ESOP in April 2023 (paragraph 83A-45(5)(a)).
7. Consequently, you remain entitled to reduce the amount included in your assessable income in accordance with section 83A-33.

Scheme

8. The following description of the scheme is based on information provided by the applicant. If the scheme is not carried out as described, this Ruling cannot be relied upon.

Relevant entities

9. Just Eggs is a company and resident of Australia as defined in subsection 6(1) of the *Income Tax Assessment Act 1936*. Just Eggs provides creative, media, and data strategies to clients.
10. Seedtag is a global company founded and based in Madrid, Spain.

Employee share option plan

11. In March 2023, Just Eggs introduced the ESOP for the purpose of incentivising and rewarding employees of Just Eggs.
12. Just Eggs granted employees options under the ESOP to acquire ordinary shares in Just Eggs which are subject to the terms of the employees' individual offer letters and the the Employee Share Option Plan Rules (Plan Rules).
13. There was an allotment of options in April 2023 for no consideration.
14. The Plan Rules placed restrictions on the disposals of options or shares acquired upon exercising the options which also included an overriding disposal restriction.
15. The ESOP operated in a way that prevented employees from disposing of their options until the earlier of 3 years of acquiring the options or ceasing employment.

Share purchase agreement

16. Just Eggs was not approached by Seedtag to discuss the sale until some time after April 2023.
17. On 17 June 2024, the shareholders of Just Eggs entered into an arrangement pursuant to the SPA for the sale of 100% of the shares in Just Eggs to Seedtag.
18. Pursuant to the SPA, the option holders exercised all of their options shortly before completion of the takeover and that the resulting shares would comprise a portion of the sale shares under the SPA.

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Other matters

19. Just Eggs did not enter into any negotiations with any other entity regarding any acquisition of Just Eggs before April 2023.

Commissioner of Taxation

12 February 2025

Status: **not legally binding**

References

Legislative references:

- | | |
|--------------------|--------------------------|
| - ITAA 1936 6(1) | - ITAA 1997 83A-45(4) |
| - ITAA 1997 83A-33 | - ITAA 1997 83A-45(5)(a) |
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ATO references

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