


CR 2026/19 - Apromore Holding Pty Ltd - employee share scheme - minimum holding period

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Status: **legally binding**

Class Ruling

Apromore Holding Pty Ltd – employee share scheme – minimum holding period

📌 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 Apromore Holding Pty Ltd (Apromore) or its subsidiary who were granted options under the Employee Option Plan (EOP) or the Employee Share Option Plan (ESOP) that were subsequently cancelled on 4 November 2025 pursuant to an option surrender deed.
2. Details of this scheme are set out in paragraphs 8 to 26 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 during the period 4 April 2023 to 14 February 2025 under the EOP or ESOP, which you held at all times until 4 November 2025 (Options)
 - 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
 - were employed by Apromore or its subsidiary at all times from the date you acquired the Options until 4 November 2025, and
 - were a ‘resident of Australia’ (as defined in subsection 6(1) of the *Income Tax Assessment Act 1936*) on 4 November 2025.

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5. This Ruling does not apply to anyone who is subject to the taxation of financial arrangements rules in Division 230 in relation to the scheme outlined in paragraphs 8 to 26 of this Ruling.

Note: Division 230 will not apply to individuals unless they have made an election for it to apply.

When this Ruling applies

6. This Ruling applies from 1 July 2022 to 30 June 2025.

Ruling

7. The Commissioner will allow the minimum holding period to end at the earlier time of 4 November 2025 in respect of the Options that were cancelled on that date pursuant to an option surrender deed (paragraph 83A-45(5)(a)).

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.

Apromore Holding Pty Ltd

9. Apromore is a private company that was incorporated on 2 September 2019 and a 'resident of Australia' as defined in subsection 6(1) of the *Income Tax Assessment Act 1936*.

10. The Apromore Group was an income tax consolidated group that comprised Apromore and its wholly owned subsidiary, Apromore Pty Ltd.

11. The Apromore Group operated a business of providing process mining and intelligence software services.

Employee Option Plan and Employee Share Option Plan

12. Apromore adopted the EOP on 17 August 2020 and the ESOP on 2 December 2024, for the purpose of retaining employees of the Apromore Group.

13. Under the EOP and ESOP, eligible employees of the Apromore Group were granted options to acquire ordinary shares in Apromore, which were subject to the terms of the employees' individual offer letters and the respective EOP rules or ESOP rules.

14. Apromore granted options to eligible employees between 4 April 2023 and 14 February 2025, for nil consideration. No options have been granted to Australian-resident employees under the EOP and ESOP since 14 February 2025.

15. Clause 5.4 of the EOP rules imposed an overriding disposal restriction which states:

- (a) Unless an Optionholder Disposes of an Option or an Option Share under an arrangement which meets the requirements in section 83A-130 of the Tax Act, a

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legal or beneficial interest in an Option or an Option Share may not be Disposed of until the earlier of:

- (1) three years after the issue of the Option or such earlier time as the Commissioner of Taxation allows in accordance with section 83A-45(5) of the Tax Act; and
- (2) where the Optionholder becomes a Leaver.

16. Clause 5.4 of the ESOP rules imposed an overriding disposal restriction which states:

Unless a Participant Disposes of any Plan Securities under an arrangement which meets the requirements in section 83A-130 of the Tax Act, a legal or beneficial interest in any Plan Securities may not be Disposed of until the earlier of:

- (1) three years after the Issue Date of the relevant Options or such earlier time as the Commissioner of Taxation allows in accordance with section 83A-45(5) of the Tax Act; and
- (2) where a Leaver Event occurs to the Participant or its Eligible Person.

17. The board of directors of Apromore (Board) has not exercised any discretion to remove, or otherwise waive or diminish, the disposal restrictions with respect to the Options prior to the sale of Apromore.

Sale of Apromore Holding Pty Ltd

18. In December 2024, the Board was considering various options for raising further capital for Apromore.

19. Between January 2025 and April 2025, the Board had a series of informal discussions with parties who were interested in acquiring Apromore. All communications at this stage were preliminary in nature and did not involve any negotiation of commercial terms. Apromore was not actively pursuing an acquisition at this stage because the Board's intention was to raise additional funding through other means, if possible, rather than through a sale of Apromore.

20. One of the interested parties was a shareholder of Apromore who first subscribed for shares in Apromore on or about 9 November 2022 (Shareholder) and had a 'right of first negotiation' under its subscription agreement. This right gave the Shareholder priority to negotiate with Apromore if Apromore received an acquisition offer prior to 31 December 2024. Apromore never received an acquisition offer prior to 31 December 2024 and, therefore, this right of first negotiation was never triggered.

21. Apromore did not enter into any formal discussions or negotiations with any entity concerning a takeover or some other acquisition of all or the majority of its shares at any time prior to 14 February 2025.

22. In June 2025, the Board resolved that pursuing an acquisition, rather than securing funding, was in the best interest of Apromore and its shareholders.

23. On 19 June 2025, Apromore engaged a mergers and acquisitions adviser to conduct and manage a formal sale process.

24. With the assistance of the mergers and acquisitions adviser, Apromore negotiated a non-binding term sheet for the sale of the company with a member of the Shareholder's corporate group, with the term sheet being signed on 28 August 2025. Following discussions and negotiations, a share purchase agreement for the sale of 100% of the shares in Apromore was executed by all relevant parties on 9 October 2025.

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25. One condition under the share purchase agreement was that on completion of the sale:

- (a) all vested options (and all deemed vested options) shall be cancelled in consideration for cash
- (b) all unvested options shall lapse for nil consideration, and
- (c) each holder of options shall execute an option surrender deed to give effect to events in subparagraphs 25(a) and (b) of this Ruling.

26. Completion of the sale occurred on 4 November 2025, at which point all options held by relevant employees under the EOP and ESOP were cancelled pursuant to the option surrender deeds.

Commissioner of Taxation

13 May 2026

Status: **not legally binding**

References

Legislative references:

- | | |
|-----------------------|--------------------------|
| - ITAA 1936 6(1) | - ITAA 1997 83A-45(5) |
| - ITAA 1997 83A-33 | - ITAA 1997 83A-45(5)(a) |
| - ITAA 1997 83A-45(4) | - ITAA 1997 83A-130 |
| | - ITAA 1997 Div 230 |
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ATO references

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