



## **Sharesave 2020: update on Canadian tax position**

Many people joined the Sharesave 2020 session we ran for our Canadian employees last week. The questions, comments and discussion we had at the session were fantastic, and we promised that we would come back with some further clarification once we had checked some points with our external legal & tax advisers. Please find this detailed below. This information is correct as of September 2020. However, tax laws can change and there is no guarantee that the same rules will apply when options under the 2020 Sharesave plan vest. Please note that Flutter is not providing any investment or tax advice, and if you are unsure about your financial or tax position, you should seek your own independent advice.

- **Will I be subject to Income tax (IT) or Capital Gains Tax (CGT) on my profit?**

This will depend on if you choose to exercise your options and keep your shares or if you choose to exercise and sell them immediately. If you choose to:

- Exercise and sell your shares immediately then you will have to pay IT on the difference between the option price (€101.70) and the market value of the shares at the time you exercise and sell.
- Exercise and keep your shares, then you will have to pay IT on the difference between the option price (€101.70) and the market value of the shares at the time you exercise your options. When you sell them in the future, you will have to pay CGT on any difference between the sale price and the market value of the shares at the time you exercised them.

- **Will my monthly deductions be deemed a qualified investment for a Registered Retirement Savings Plan (RRSP) or Tax-free Savings Account (TFSA)?**

No. Although the funds are held in your name, they are held in a company account, and so will not qualify as an investment for either of these.

However, we are exploring the possibilities of structuring the plan in Canada on a more tax-advantaged basis and if it is possible to do so for next year, we will let you know.

- **If I exercise and keep my shares, can I transfer them to an RRSP TFSA?**

Yes. You would still have to pay income tax on the difference between the option price and the market value of shares at the time you exercise your option. However, because the RRSP and TFSA trusts are exempt from Canadian income tax any capital gain realised by the RRSP or TFSA trust on a subsequent sale of the shares would not be subject to tax.

- **Are the savings tax deductible?**

No. You cannot obtain a tax credit for the savings in the same way as you can for the RRSP.