

All countries

Can you grant under the overseas parent company's option plan? If so, is a local sub-plan required?

Asia

China	Currently stock options granted outside mainland China to mainland Chinese staff located within China face various legal obstacles, in particular those regarding all cross-border elements of such transactions. Solutions include contractual arrangements solely within China to mirror the economic result, or to find an arrangement which is completely outside mainland China (in particular no cross-border money transfers).
Hong Kong	Yes, but it is subject to the relevant requirements under the Companies Ordinance (Cap 622) and in the case of a listed company, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. A local sub-plan is not a must.
Singapore	<p>Yes, depending on whether the overseas parent company's plan caters to grants to employees in Singapore and subject to compliance with Singapore securities offering laws.</p> <p>The decision to adopt share option schemes is commercially driven. Share option schemes may be a strategic way to align the interests of owners and employees, and to minimise operational expenditure on salaries. However, private companies incorporated in Singapore have to note the 50-member restriction on private companies when structuring their share option schemes.</p>
United Arab Emirates	<p>The UAE Commercial Companies Law provides for employee share option schemes that may be implemented by UAE registered companies. However, this is largely untested since its introduction. In addition, the resolution that, in accordance with the UAE Commercial Companies Law, is to be passed by the Emirates Securities and Commodities Authority on the "mechanism and conditions of implementation" of ESOPs has not been issued and published yet.</p> <p>There is no specific law in the UAE that prohibits granting additional benefits to employees in other jurisdictions, so long as the benefits under UAE Employment Law are honoured. At this stage there is also no requirement for a sub-plan when ESOPs are offered to UAE based employees by overseas located group companies of the respective employees' employer.</p>

Europe

Austria	Yes. In most cases a local sub-plan will be recommended.
Czech Republic	Yes. No local sub-plan is required.
England & Wales	Yes, and in most cases a local sub-plan is required.

France	Yes. To benefit from the French preferential tax and social security regime, a French sub-plan is required in order to supersede those of the parent company option plan's provisions which are not compliant with the French Commercial Code.
Germany	Yes. No local sub-plan is required but is helpful, especially when headcount of German employees has reached five or more employees. If the company employs less than five employees in Germany, for pragmatic reasons a sub-plan is not a must (although legally still advisable).
Hungary	Even if there is a US plan, only the Hungarian entity has the right to make lawful decisions regarding stock options towards its employees. Further, for the Hungarian entity being able to offer stock options relating to US entities, a separate agreement between the Hungarian and the US entity will be necessary.
Ireland	Yes. Although not a legal requirement, in most cases, it is advisable to adopt a local sub-plan.
Italy	<p>Yes, it is possible to grant stock options to Italian employees under the overseas parent's company option plan.</p> <p>Even if a sub-plan is not mandatorily required, it could be advisable to prepare a local sub-plan (or at least carry out a review for compliance of the parent's company option plan), so to double-check the conformity of the latter with Italian mandatory provisions (e.g., tax or employment laws and regulations).</p>
Netherlands	You can grant stock options / RSUs under the overseas parent's company's option plan to employees, even employees of a subsidiary, in the Netherlands. A local sub-plan is not required.
Poland	Yes, as a rule a local sub-plan is not required.
Portugal	Yes, but together with local sub-plan.
Slovakia	Yes, a local sub-plan is not required.
Spain	There is no rule preventing employers to provide employees with a remuneration system under a parent company's option plan. However, in most cases, such plans must be adapted to be enforceable under Spanish law.

South America

Brazil	Yes. A local sub-plan is not required.
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