

NEWSBRIEF

Conferences and events

Employee equity: what does the near future hold? Vienna conference: June 1–3

The five-star Steigenberger Herrenhof Hotel in central Vienna will host the European Centre's [28th annual international employee equity conference](#) from Wednesday–Friday June 1 to 3 this year.

[Programme](#)

This showpiece event will feature presentations from Austrian and German companies, together with those from the UK and USA, including Willis Towers Watson, Lewis Silkin, Pett Franklin, Solium, Strategic Remuneration, Voestalpine, Tapestry Compliance and White & Case. ButcherJoseph, the US Esop investment bank and California-based SunPower Corporation will deliver case studies.

Mark Higgins of Vodafone and Robert Head, former share schemes director at Pearson, and Claudia Yanez of SunPower will lead an issuer panel which will discuss plan launch and operational issues with advisers. Patrick Jones of Appleby and Claire Drummond of Bedell Group will lead the trustee issues panel. In addition, Dr Barbara Kolm, director of the Austrian Economics Centre, will moderate a panel discussion on employee share ownership in Austria and Germany.

Three major case studies feature in the programme:

- Maintaining Employee Ownership While Achieving Growth, which features a US employee-owned company whose objective is to maintain its employee-owned status while positioning itself for continued international expansion. Highlights include corporate restructuring considerations, designing management incentives, and improvements to its balance sheet.

- How SunPower, the California-based energy company which employs 6,300 people worldwide, introduced new performance-based executive equity rewards. Claudia Yanez explains how SunPower operates its broad-based and executive equity incentives.
- Bundled employee shareholder rights at Voestalpine, an Austrian steel company. More than 24,000 employee shareholders are involved in a structure which gives them voting rights in a collective voice via a foundation.

An informal delegates' dinner will be held in Vienna on Wednesday June 1, the night before the conference begins.

The 100-year-old Herrenhof is on Herrengasse, near the Kohlmarkt and Golden Quarter in the old city centre – a few minutes' walk away from historic landmarks, such as the Hofburg Palace, Café Central, the Spanish Riding School, the Sisi Museum, the state opera house, Burgtheater (Imperial Court Theatre) and gothic St Stephen's Cathedral.

Attendance qualifies delegates for 11 hours CPD credit with the Law Society.

Sponsorship

Attractive sponsorship opportunities are on offer, including whole event sponsorship (£3,250), giving full branding rights & free seats—and separate offers for the conference cocktail party (£1,000) and our Vienna e-brochure logo (£550), with repeat mentions in both internationally circulated newspad and on the Centre events news website until August in all instances.

Conference package

The Vienna conference package comprises:

- two nights (June 1 and 2) half-board accommodation in the Herrenhof
- entry to all conference sessions
- invitation to the cocktail party on Thursday evening (partners welcome)
- lunch and coffee/tea break refreshments
- bound delegate handbook.

Speakers

If you would like to make a presentation at the European conference, please contact [Fred](#) as soon as possible with details of your topic. Speakers pay £825 if practitioners and £525 plan issuers.

Bookings

Practitioner delegates from Centre members will pay £950 and non-members £1,750. If two member practitioners from the same company register as delegates, their package fees are reduced to £750 each.

A number of delegate places are available for trainees or junior staff from the employee equity teams of practitioner member firms at a special price of £875. The same offer is open to more senior practitioners from firms who have not attended a Centre international conference recently.

Plan issuer delegates from Centre members pay £635 and non-members £745.

Note that no VAT is chargeable.

If you want to sponsor, speak or attend, email Fred Hackworth at fhackworth@esopcentre.com with a copy to esop@esopcentre.com.

Employee share schemes for SMEs: September 16

Planning is underway for this year's joint Esop Centre-Institute of Directors employee share schemes for SMEs event, due to be held on Friday September 16 2016 at the IoD's London headquarters on Pall Mall. The full-day conference will be aimed primarily at those considering the introduction of an employee share scheme in new or young companies.

There may be an opportunity of joining the Centre's experienced team of speakers and panellists to help introduce and sell the concept of employee share ownership to SMEs. We are particularly looking to hold workshops as a way of engaging with delegates directly. If you're interested in knowing more, please get in touch with Daniel Helen at dhelen@esopcentre.com or call 020 7239 4971.

British Isles employee share schemes symposium / Esop Centre Awards 2016

The Esop Centre is planning its inaugural British Isles symposium on employee share schemes and trusteeship in London later this year. After FATCA and the Intergovernmental Agreements there is every reason for the UK and the Crown Dependencies to understand each other's roles and work closer together. A precise date is yet to be confirmed, but November is likely.

The two-day event will conclude with this year's Awards Dinner at the Reform Club.

We are now calling for nominations for the [Esop Centre Awards 2016](#).

The categories this year are:

Best all-employee share plan

More than 1,500 employees

Fewer than 1,500 employees

Best international all-employee share plan

Best all-employee share plan communications

Best use of video in share plan communications

Best use of social media in share plan communications

Best financial education of employees

Best promotion of share plans as long-term investment

Best innovation in share plan administration

Best use of share plan voting rights to boost employee engagement

Visit the Centre's awards 2016 [webpage](#) to make your submissions.

Members' national and international news

New plan issuer member: YouGov

The Esop Centre welcomes market research agency YouGov, who joined the Centre as a plan issuer member last month. YouGov operates a Long-term Incentive Plan alongside option schemes and encourages all its employees to own shares in the AIM-listed company.

Chairman praises Sharesave SAYE

Centre chairman Malcolm Hurlston CBE lauded Sharesave SAYE at a Portcullis House roundtable organised by the Association of Certified Corporate Accountants this week to launch the paper "[Britain's debt: policies to encourage savers](#)". He told the roundtable that Sharesave SAYE was the prime example of how employers, with government support, could change the national savings culture.

The paper was written for ACCA by Sarah Beddows, Mick McAteer of the Financial Inclusion and Markets Centre, and accounting lecturer Professor Robin Jarvis of Brunel University. John Glen, parliamentary private secretary to Sajid Javid at the Department of Business, Innovation & Skills, hosted the roundtable and undertook to promote action.

Calls for direct rule on UK tax havens following Panama leak
None of the UK Crown Dependencies (or even Panama) get into the world top ten havens, according to the Tax Justice Network. The leaders are Switzerland, Hong Kong and the United States. British overseas territories do not emerge as favourably, with the British Virgin Islands hosting the highest number of companies mentioned in the Panama papers.

Nonetheless Labour Party leader Jeremy Corbyn took the political opportunity to call on the government to consider imposing direct rule over Crown dependencies as well as overseas territories after 11 million documents were leaked from Panama-based law firm Mossack Fonseca. The papers reveal how its clients—some of the wealthiest and most powerful people in the world—had planned tax strategies. Citing the three-year suspension of home rule in the Turks and Caicos Islands from 2009 as a recent example of the UK imposing direct rule, Mr Corbyn suggested that the British government had the authority to ensure that they are not used as havens to avoid UK tax law.

Responding to the leak, Prime Minister David Cameron announced that all British overseas territories and Crown dependencies, with the exception of Guernsey and Anguilla, had already agreed to set up a register of beneficial ownership in November 2015. In the wake of the Panama leak, Jersey has come to an agreement with the British government allowing UK authorities to share information from its Central Register of Beneficial Ownership operated by the Jersey Financial Services Commission.

Offshore financial centres key to global trade, investment, and economic growth

[Writing in the Financial Times](#), Richard Hay contends that the uproar provoked by the Panama papers—particularly Jeremy Corbyn's call to shut down financial centres—ignores the key role played by 'tax havens' in the global economy. Millions of British citizens benefit directly through workplace pensions with offshore investments and the creation of jobs from increased financing. Financial centres have contributed to the doubling of global GDP over the past two decades, which has resulted in sharp declines in poverty in developing countries. Mr Hay points out that British overseas territories and Crown dependencies—especially Jersey and Guernsey—have some of the most robust transparency standards, and provide the UK with jobs, better pensions, and economic growth.

Panama leak exposes serious security flaws

The huge leak of financial data from Mossack Fonseca has exposed the company's flawed digital security, [according to an article on Wired.co.uk](#). In a leaked email to clients, the Panamanian law firm suggested that there had been an "unauthorised breach" of its email server. Partner Ramon Fonseca has confirmed publicly that the leak was not an "inside job", but the result of overseas hackers. Experts analysing Mossack Fonseca's vulnerabilities have found that its servers are operating obsolete security protocols and many of its systems—including its webmail system—are out of date.

Blockchain a potential solution to greater trust transparency
In [an article posted on The Conversion website](#), Robert Herian—lecturer in law at the Open University—has suggested that blockchain technology may provide a means of opening up trusts to public scrutiny. Blockchain is a peer-to-peer database of transactions used by systems like Bitcoin. Dr Herian proposes that “smart contracts” could be used to map blockchain onto trusts law and trusteeship. Because blockchain uses both public and private encrypted keys, it results in the creation of private spaces which remain in public view. A “smart trust” would make use of these characteristics, creating a trust as a private space while priming it for transparency.

Canadian government abandons plans to raise stock options tax

Canada’s Liberal government has abandoned its election pledge to fully tax individual stock options gains over \$100,000. The measure had been intended to increase taxes on the wealthiest, but start-up companies in particular argued that the policy would make it more difficult for them to recruit and retain employees. Many companies in their earlier stages turn to stock option plans to supplement lower wages in an attempt to attract talent. Finance Minister Bill Morneau confirmed that there is now no plan to increase options taxes in the future.

‘People with Significant Control’ register comes into effect

All UK companies are now required to maintain [a register of ‘People with Significant Control’](#), defined as those who hold more than 25 per cent of shares or voting rights in a company, or have the right to appoint or remove a majority of directors. It needs to include their name, month and year of birth, nationality, and details of their interest in the company. Although the requirement to maintain a register came into force on April 6, all existing unquoted companies and limited liability partnerships will be required to declare this information in their annual statements from June 30 2016. The measure is designed to increase business accountability and has been agreed by other EU and G20 countries.

HMRC clarify ERS online filing matters

The [latest employment-related securities bulletin](#) from HMRC provides some updated advice on the online returns for employee share schemes due by July 6. Outstanding EMI returns for 2014 to 2015 will now need to use the updated template for 2015 to 2016. Annual returns using the new ODS templates for CSOPs, SAYE, and SIPs for both 2014 to 2015 and 2015 to 2016 will not be possible until of April 2016. If companies opt to provide CSV submissions, these can only be made from the end of May 2016.

UK National Living Wage comes into force

Announced by chancellor of the exchequer George Osborne in his summer budget last year, the UK's new mandatory [National Living Wage](#) came into force at the start of April. Employers are now required to pay workers aged 25 and over at least £7.20 an hour, a figure which is expected to rise to more than £9 an hour by the end of this parliament in 2020. The National Minimum Wage of £6.70 an hour will continue to be paid to workers aged 21 to 24. The National Living Wage remains distinct from the £8.25 (£9.40 in London) an hour promoted by the Living Wage Foundation.

Telegraph responds to reader's BT share schemes enquiry

The Telegraph's investment editor Ed Monk [has responded to a reader's request for advice](#) on how to be tax-efficient with £273,000 worth of BT shares accumulated over the course of a career. The reader had taken part in BT's various employee share schemes since it was privatised in 1984. With over 60,000 shares, he received £7,440 in dividends last year. Hitherto, as a basic rate taxpayer, he would have paid no tax. However, from April 2016 he will be charged 7.5 percent on all dividend income above £5,000. He was advised to gift half the shares to his wife to split the dividend between them, pushing it below the £5,000 individual allowance. Mr Monk also suggested that the reader house shares within an ISA to shield it from income tax and capital gains tax, despite the investing platform costs this would require. The Centre passed the article to leading political figures: "These are the problems we like school-leavers to have".

New 'human governance' research programme at Harvard Law School

The Maturity Institute [has announced a new collaborative research project](#) with the Pensions and Capital Stewardship Project within the Labor and Worklife Program at Harvard Law School. The aim is to create an index of companies in the S&P 500 which identifies the nature of the relationship between human governance and long-term market and societal value.

Danny Dorling to speak at the London Review Bookshop: April 26, 19.00

Danny Dorling, Professor of Geography at the University of Oxford, [will be presenting a talk](#) at the London Review Bookshop on Tuesday April 26 on the subject of his new book *A Better Politics: How Government Can Make Us Happier*. Professor Dorling will be the guest of honour at an Esop Centre high table dinner on July 18 at the RAF Club.

Employee Share Ownership Centre Ltd

Phoenix Yard | 65 Kings Cross Road | London WC1X 9LW | +44 (0)20 7239 4971
esop@esopcentre.com | www.esopcentre.com

