
newsbrief

February 2018



CONFERENCES AND EVENTS

High table with Dr Ewan McGaughey: March 14

The Centre's next high table dinner discussion will be on Wednesday March 14 where our guest will be Dr Ewan McGaughey. Our subject will be **robots**, the law and their impact - including on employee ownership.

Ewan is a law lecturer at King's College London. He holds degrees from King's, the Humboldt Universität zu Berlin and the London School of Economics. He is a research associate at the University of Cambridge Centre for Business Research for whom he has published recently on the subject and was a visiting scholar at University of California, Berkeley in summer 2016.

Ewan's core research interests are economic and social rights, particularly in the governance of enterprises. His wide legal interests include corporate law, insolvency, pensions and institutional investment, labour law, private law, law and economics, and legal history, in the Commonwealth, the European Union and the United States. He has taken a particular interest in law's social role, and its consequences for equality, fairness and justice.

Past guests have included John Redwood, Danny Dorling, Stephen Haddrill and Otto Thoresen. Guests enjoy the forward-looking discussion and intimate atmosphere for a dozen people.

The event will start with a welcome glass at 6:30 pm followed by dinner in the Mezzanine Suite of the RAF Club, 128 Piccadilly London W1J 7PY.

Tickets are £140 + VAT each.

If you would like to join us, contact **Juliet Wigzell** as soon as possible, as we are limited to 11 places at the table.

newspad summit: Paris June 21-22 2018

newspad's 2018 international employee equity summit will be held in Paris on Thursday & Friday June 21-22. The event will be hosted by Linklaters, at its **25 rue de Marignan** offices just off the Champs-Élysées.



The programme features speakers tackling business succession planning; corporate governance - *RIP Carillion?*; share plans regulation - *try MIFID2 and GDPR for size*; executive equity reward; global plan communication techniques; trustee share plan administration; equity plan case histories - *such as construction materials giant St Gobain* - and the implications of Brexit for international employee equity plans.

newspad brings together leading experts from the Eso world to update delegates on key issues. French Senator Henri Leroy has been invited. Time is allocated for debates which delegates can lead. Participants are invited to the summit drinks reception, hosted by Linklaters, and informal dining groups are organised on both Wednesday and Thursday evenings.

Book your place by emailing global@esopcentre.com or call the team on +44 (0)20 7239 4971.

Delegate fees*:

Centre member practitioners: £395 each
Non-member practitioners: £615 each
Plan issuer representatives: FREE (subject to £10 admin fee)

**There is no VAT, because the summit takes place outside the UK.*

You may email proposals for the last few speaker opportunities at the summit. Choose a solo 30 minute slot, covering an important technical issue, or a case history slot with a client or two joining you at the podium.

The **programme outline** gives details of planned topics.

Practitioner speakers will pay £245* each for their slots and may invite plan issuer clients as joint speakers, free of charge.

If you wish to stake your claim to speak at this key event, please contact *newspad*'s editor, **Fred Hackworth**.

Jersey share schemes and trustees seminar: May 2 2018

The Centre's annual **Jersey share schemes and trustees conference**, held in association with STEP Jersey, will be on Wednesday May 2 at the Pomme d'Or Hotel in St Helier.

The annual half-day conference is an industry leading networking and learning opportunity for all those interested in share schemes and EBT trusteeship.



The programme will cover the latest taxation, legal and regulatory issues in Jersey and the UK. Speakers include:

- Colin Powell CBE, States of Jersey
Panel session on Jersey, the UK and the EU
- Paul Malin, Haines Watts
The new challenges that face us all - the April 2019 loan charge, the Digital Disclosure Service and more.
- David Pett, Temple Tax Chambers
Recent UK cases in the courts/tribunal
- Graham Muir, CMS
GDPR
- Stephen Woodhouse, Pett Franklin
Employee trusts: challenges and opportunities for trustees
- David Craddock, David Craddock Consultancy Services

Attendance costs £375 for Centre / STEP members and £480 for non-members.

Book and pay by the end of Friday March 2 to take advantage of one of our early bird discounts:

- 50 percent off a third delegate from the same organisation; or
- 10 percent off the total

To book your place, email:

events@esopcentre.com or call +44 (0)20 7239 4971.

Canadian ESOP conference

The Canadian Esop Association is holding **its annual conference** in Edmonton this year on June 4-6. The Centre is in discussion with its Canadian friends about reciprocal member discounts. Let us have expressions of interest.

Centre member Postlethwaite already features as a conference sponsor, as well as Esop Builder Perry Phillips.

WORLDWIDE WEBINARS

Centre founder on the future of share schemes

Centre chairman Malcolm Hurlston CBE joined Stephen Woodhouse of Pett Franklin in Birmingham earlier this week to discuss **the future of share schemes**. They ranged over the progress of share schemes; the international landscape; Brexit; tax; and the future. Malcolm remarked that share schemes were the means not the aim: in the UK they benefited from a remarkably efficient and world leading industry but their effect was hampered by incoherence, ministers one at a time dropping their potions into the pot.

Linklaters GDPR webinar

On February 21, from 10:00-10:45 am, Linklaters will host ***The New Data Protection Rules and Share Incentives – what you need to know***. The talk will cover how to deal with share plan rules and ancillary documents, including how rule changes will impact global plans, especially when the UK leaves the EU.

CMS GDPR webinar

CMS is holding a webinar on how businesses are preparing for **the General Data Protection Regulation**, and its insights gained from the GDPR process so far, on March 15 from 13:15-14:00.

RM2 webinars

You can join Garry Karch on February 21 2018, from 11:00-11:45 am, as he takes an in depth look at **financing EOT sale transactions**.

Sara Anderson will provide **an introduction to SIPs** on March 7, from 11:00-11:30 am. The talk will cover how to establish a SIP, its key benefits and how a SIP worked for an RM2 client.

CENTRE & MEMBER NEWS

Index Ventures joins Esop Centre

Index Ventures, the venture capital firm spanning US and European jurisdictions, has become a member of the Centre. It has offices in London, San Francisco and Geneva.

Its research shows that stock options in Europe are executive biased with only a third allocated to employees below executive level whereas in the US the reverse is true.

Index Ventures is a mission led company - its

aim is to make a positive contribution to the world. Welcoming the new member Centre chairman Malcolm Hurlston CBE said: "If we have a sense of mission, there is still much to be learned from the United States, especially with rewards for all. I look forward to their director of talent, Dominic Jacquesson, participating in our events."

Expansion at Global Shares

Global Shares, provider of equity compensation management solutions, share plan administration software, share-dealings and financial reporting, has appointed **Steve Kavanagh** as head of global compliance. Global Shares has officially **opened its new Hong Kong office**. The office currently has three staff and will grow to a team of ten over the next six months.

Ocorian acquisition trail

Global financial services provider Ocorian has completed the purchase of **MAS International**, a Luxembourg and Mauritius based provider of fund administration and corporate services. It is also to acquire **ABAX**, a corporate and business services provider based in Mauritius, and, **Capco Trust** a private client and corporate services provider from Jersey.

White & Case opens Uzbekistan office

White & Case has opened a **new office in Tashkent, Uzbekistan**, just as the country moves into its own glasnost. Hugh Verrier, chairman of White & Case said: "Our new office in Tashkent underlines our commitment to our Uzbek clients, and to our international clients who are taking advantage of increasing opportunities to invest in the country."

Equiniti launches 'Robotics Plus'

Equiniti has launched its **Complaints & Remediation Lifecycle Management Solution**: a complete complaints management and remediation process that integrates proprietary technologies and specialist personnel with FCA compliant processes.

Stuart Bailey Computershare associate director

Esop Centre steering committee member Stuart Bailey has accepted an associate director role at Centre member Computershare.

Graeme Nuttall: Scotland leads the way with employee ownership

In an article for **Business Insider**, Graeme Nuttall OBE of Fieldfisher reveals that employee ownership is growing faster in Scotland than in the rest of the UK. There are at least an estimated 300 employee owned firms in the UK; roughly a third of these are based in Scotland. Mr Nuttall accredits the expert help provided by Co-op Scotland to Scottish businesses as contributing towards the Scottish advantage.

UK AND WORLD NEWS

Australia's top 100 companies call for Eso

Australia's biggest 100 companies **have urged the Australian government to encourage employee share ownership**. Andrew Porter, president of the Group of 100, called for the government to increase the value of shares that can be given to an employee without any tax implications for businesses or individuals,

arguing that this may help Australia negate its current low-wage growth.

"I'd love legislation to be changed to make it easier and more beneficial for employees to own more of companies," said Mr Porter. "At the moment you can give your employees \$1000 worth of shares each, but that's it. And the amount hasn't changed for a very long time."

BIAC public discussion response

Business at OECD, of which the Centre is a member, has issued its response to a public discussion draft on mandatory disclosure rules to deal with Common Reporting Standard avoidance arrangements and offshore structures. The response expresses concern that introducing the rules with immediate effect, while CRS itself is still being implemented, will result in unnecessary burdens. BIAC recommends reducing the scope of immediately effective rules to scenarios where there is evidence of abuse; or postponing the effective date pending full implementation and a more detailed review of the effectiveness of CRS in practice.

RSA: economic insecurity widespread

The Royal Society for the Encouragement of Arts, Manufactures and Commerce has warned that economic insecurity is more widespread than previously thought following [a study conducted by the RSA and Nottingham Civic Exchange](#). The report, *Addressing Economic Insecurity*, which notes that more than seven million people in UK working households live in poverty, argues that a new focus on economic security is required to restore optimism and meet the opportunities and challenges of: automation; an ageing population, and Brexit. The RSA recommends the introduction of a universal

basic income which would effectively spread the wages of capital.

HMRC Trust Registration Service

HMRC has launched [Trust Registration Service](#) which allows trusts and complex estates to provide information on trusts' beneficial owners and comply with their registration obligations using a single online process.

Employee benefit trusts that incur a UK tax liability are obliged to register.

Sweden: new share rules

The Swedish government has set out new rules intended to reduce the tax burden on employees and employers of small and early stage companies. New share options held by eligible employees will be subject to capital gains tax rather than income tax; companies will pay no social security charges in respect of the options. The [new rules](#) have been compared to the UK's EMI scheme, introduced under Gordon Brown and long lauded as the best of its kind in Europe.

Elior Group sets up Eso for 90,000 employees

French catering and support service company [Elior has offered its first employee share ownership plan](#) to around 90,000 employees in seven countries including the UK.

UK government to investigate share buybacks

The government will be researching into [whether companies are repurchasing their own shares to inflate executive pay](#). The research is part of broader corporate governance reforms to stop executive pay

becoming disconnected from company performance.

The research will be conducted by PwC with support from Professor Adam Edmans of the London Business School.

New employee ownership journal

A new academic publication, [the Journal of Participation and Employee Ownership](#), which seeks to publish original empirical and theoretical research in the broad area of employee participation and shared capitalism, has been launched. The journal is currently calling for papers for a special issue on *Workplace Representation and Its Implications for Workers and Employers*.

For more information and a list of topics of interest see the [publisher's website](#). The deadline for submissions is February 28.

MEMBER PROFILE



Lynette Jacobs of **Pinsent Masons**, partner, head of share plans and incentives

In what ways does employee share ownership serve a useful purpose?

By motivating and incentivising employees, building an identity with the company/group for which they work.

How can we widen and deepen the adoption and use of employee share ownership?

“Share the message” – from employers and also employee participants who can testify to the positive effects it has had for/on them.

What would you tell someone on the fence about introducing employee share ownership to their company?

As above, speak to people with direct experience of employee share ownership. From an employer's/company's perspective, if they are apprehensive about the concept, adequate protections can be built in, e.g. exit only options or provisions in a private company's articles of association requiring employee shareholders to sell their shares if they leave the business.

What has been the most important development in employee share ownership during your career?

EMI options, allowing flexible option grants on a generous tax-advantaged basis to employees at all levels in a company.

Which change to employee share plans legislation, in the UK or elsewhere, would you most like to see?

Following on from the above, amendment of the EMI legislation to open up EMI to the many PE backed companies which are currently precluded from using it.

Why do you think employee share ownership has enjoyed cross-party support in the UK?

Because it is a good thing!

Which aspect of the Esop Centre do you most value?

Its engendering of sharing information about employee share ownership by and between all those involved and interested in it - whether companies, advisers, administrators or trustees.

Which aspect of the Esop Centre would you most like to change?

None – you are great as you are!

What is your idea of perfect happiness?

Relaxing with my family and friends, uninterrupted by emails!

What is your most marked characteristic?

Friendly and honest – I would hope that others agree!

What do you consider your greatest achievement?

Bringing up three children who all now live independent, satisfying lives.

Which living person do you most admire?

My husband, for his ability always to see the positive in life.

Who are your heroes in real life?

My four grandparents who, as Jews, made the brave decision to leave Europe (Germany and Czechoslovakia (as it then was), respectively) in the build up to the Second World War and made new lives for themselves in England, saving their lives and the lives of their children and so allowing my siblings and me to be born.

What is your most treasured possession?

My family.

ABOUT NEWSBRIEF

newsbrief is the Employee Share Ownership Centre's members only mid-month publication edited by Robert Jarvis.

If you would like to sponsor an edition of *newsbrief* and place an extended announcement contact Laurence Cubbon: lcubbon@esopcentre.com

To submit a story for the next issue of *newsbrief* or to propose someone for a member profile, contact the editor:

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