

NEWSBRIEF

Members' national and international news

Bipartisan support for esops in the United States

A poll of registered voters conducted by Public Policy Polling has revealed that 68 percent of those surveyed “support the concept of companies being owned by their employees so that all workers share in their success”. There was generally greater support among Democrats (79 percent), but a majority of Republicans (58 percent) and independents (67 percent) still favoured ESOPs. The two main parties have both offered their support. The 2016 Republican party platform supports “employee stock ownership plans that enable workers to become capitalists, expand the realm of private property, and energize a free enterprise economy”. Meanwhile, the 2016 Democratic party platform does not mention employee ownership, but it does include a paragraph entitled “Helping More Workers Share in Near-Record Corporate Profits”.

Rise of the one percent hurting US growth

Income inequality in the United States could be having an adverse effect on economic growth, [according to Bloomberg](#). As the one percent increases its share of the nation's income, it becomes more difficult for the Federal Reserve to consider an increase in interest rates. This is because members of the one percent spend a far lower proportion of their salaries than those on middle or low incomes.

Rise in income inequality due to collusion among chairmen

The growing pay gap in UK companies is a result of 'extraordinary collusion' between chairmen of major UK companies in the 1980s, [according to an article on The Conversation](#). The so-called 'Chairman's Club' first met in 1982. Minutes made public as a result of litigation in the US reveal that there was a unanimous view that the remuneration of senior executives and management was too low in the UK compared with the rest of the world. Although there is no further documentation to explain what action, if any, this resulted in, but large increases in executive pay - delivered largely through share plans - first emerged in the 1980s.

Equatex gains dealer licence

Equatex UK Limited, the UK-based global compensation plan administrator within the Equatex Group, has successfully completed its application for a broker dealer licence with the FCA. The licence, which was issued on July 27 2016, authorises the company to act as a broker dealer in the UK market and provide a fully integrated share plan solution to its corporate clients in the UK and their employees across the globe.

Richard Scorer joins Global Shares

Global Shares has announced the appointment of Richard Scorer as client implementation manager. Richard was previously a special projects and implementation manager at Solium. He will specialise in discretionary share schemes and oversee SIP and SAYE migrations in his new role.

Bird & Bird on the move

The London office of international law firm Bird & Bird has moved to 12 New Fetter Lane.

Singapore's POSB brings back Save As Your Earn

POSB, Singapore's oldest banks, has announced that it is bringing back its 'iconic' Save As You Earn scheme. It was originally introduced in 1974 to encourage Singaporeans to put part of their salary into savings. Despite its success, the plan ended in the early 1990s. The programme has been brought back to tie in with Singapore's fifty-first birthday and will be offered exclusively to full-time national servicemen.

Conferences and events

This year's employee share schemes for SMEs conference, jointly organised with the Institute of Directors, is being held in London at the IoD's Pall Mall headquarters on Friday September 16.

The one-day event is designed for small businesses and their advisers who are considering an employee share scheme in their business, or who want to develop existing plans.

Speakers include Stephen Woodhouse of Pett Franklin, Mark Gearing of Fieldfisher, Ann Tyler of Lewis Silkin, Robert Postlethwaite of Postlethwaite Solicitors, David Craddock of David Craddock Consultancy Services, Colin Kendon of Bird & Bird, William Franklin of Pett Franklin, Garry Karch of the RM2 Partnership, and Graham Muir of Nabarro.

The programme ranges from EOTs, EMIs and EMI alternatives through to share valuation and succession planning. The two panel sessions, one for beginner and another for more advanced participants, will include discussion of the implications of Brexit for SME share schemes.

Tickets for Centre and IoD members are £385 + VAT each, non-members £485 + VAT.

Employee share schemes for SMEs

A one day conference by the Esop Centre and the IoD



To take advantage of the member rate, Esop Centre members should contact the Centre for the booking form by emailing events@esopcentre.com.

[IoD and non-members can book online.](#)

finance managers and HR managers who are considering implementing an employee share scheme in their business, or who want to develop existing plans.

Guernsey share schemes and trustees conference:

Friday October 7

The annual [Guernsey share schemes and trustees conference](#), organised by the Esop Centre and STEP Guernsey, will be held at the St Pierre Park Hotel in St Peter Port on the morning of Friday October 7 2016.

Deputy Peter Ferbrache, Guernsey States president of the economic development committee, will deliver the keynote speech.

Delegates will also hear from Martin Popplewell of Deloitte, Stephen Woodhouse of Pett Franklin, Juliet Halfhead of Deloitte, Alison MacKrill of Carey Olsen / STEP Guernsey, David Craddock of David Craddock Consultancy Services, and Elaine Graham of Zedra.

Malcolm Hurlston CBE will introduce the conference with an examination of the new UK government and the new opportunities with the EOT.

The other presentations will cover the Common Reporting Standard, tax planning, the new rules for outstanding EBT loans and the traditional legal update for trustees.

A panel discussion with Alison MacKrill and Elaine Graham will ask why the Channel Islands are still the jurisdictions of choice to run EBTs.

Tickets cost £350 for Centre and STEP members, £450 for non-members.

Book by Wednesday August 31 to take advantage of one of the following early bird offers.

50 percent off a third delegate

10 percent off total (as long as the payment is received by above date)

To register your interest in attending, please

email events@esopcentre.com or call 020 7239 4971.

Esop Awards Dinner 2016: Tuesday November 22

The Esop Centre's [fifteenth annual black-tie awards dinner](#) will be held at the Reform Club in London on Tuesday November 22, the evening before the Centre's inaugural British Isles conference.

Hosted by former chairman of the Reform, sports journalist Mihir Bose, the evening will pay tribute to those who have excelled in spreading employee share ownership in the UK and globally.

Beginning at 18.30, the champagne reception and four-course dinner will be held in the grand Italianate surroundings of the Reform Club's library.

We are now taking bookings. Members can take a table of ten for £1,800 + VAT or individual tickets at £195 + VAT each.

To register, please email events@esopcentre.com or call 020 7239 4971.

Nominations

The list of early entrants was announced at our annual cocktail party during the European conference in Vienna at the start of June. There is still time to [submit](#) further entries.

Categories:

- 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 * †

* New category this year.

† No entrants so far.

The categories are designed to reflect the Centre's major policy objectives.

[Visit the Awards 2016 webpage for more details.](#)

Members are invited to take [lead sponsorship](#) of the Awards dinner. Please register your interest at events@esopcentre.com

British Isles, Brexit & shareholder democracy employee equity symposium:

Wednesday / Thursday November 23–24

The Esop Centre will hold its inaugural [British Isles symposium](#) at the offices of White & Case in the City of London later this year on Wednesday November 23 and Thursday November 24.

The one-and-a-half-day conference will follow this year's Awards Dinner on the evening of Tuesday November 22. It will focus on the May government, post Brexit broad-based cross-border employee equity plans, executive and management reward strategies and on British Isles trustee involvement in employee equity.

Speakers include Nicholas Greenacre of White & Case, Graham Ward Thompson of Howells, Sara Cohen of Lewis Silkin, Juliette Graham of Linklaters, Amanda Flint of Mercer, Stephen Woodhouse of Pett Franklin, Lynette Jacobs of Pinsent Masons, and Jeremy Mindell of Primondell. Peter Parry of the UK Shareholders Association will be one of a number of guest speakers.

There is still time to register interest in speaking at this event, particularly if you can organise and present a double-header client case history, update delegates on the administration marketplace or explain the corporate governance issues of cross-border all-employee equity plans. Trustee speakers are sought too, as we will devote a segment of the programme to the future of EBTs and Eso in the Crown Dependencies.

Bookings are now open and the following early bird prices will apply for a limited time only.

MEMBERS

Plan issuer: Free (subject to £50 admin charge)

Practitioner: £395

NON-MEMBERS

Plan issuer: £175

Practitioner: £595

All prices are subject to UK standard rate VAT

The Centre thanks Equatex and Bedell Trust for co-sponsoring the [event brochure](#).

If you're interested in speaking or would like to register as a delegate, please email britishisles@esopcentre.com or call 020 7239 4971.

Member profile

Helen Hatton

md Sator Regulatory Consulting Limited; chairman KYC Worldwide Limited

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

Although tax efficiency is increasingly a motivating factor for businesses participating in or establishing structures, I am a true believer in the social engineering objectives of employee share ownership. I completely believe that widening the ownership of British businesses – or indeed those in other countries – offers more sustainable engagement of the workforce, stronger longer lasting relationships based on mutuality rather than the conflict model all too often driven by the trades union movement. The notion that labour and management are opposing forces is arcane – businesses that operate that way are outmoded and outdated – inclusiveness, mutuality and sustainability are the watchwords of the future where relationships must embrace change and work collectively to secure business markets of the future, not battle terminally over declining market share.

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

By promulgating understanding of the above points.

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

That Employee ownership is about inclusion , engagement and mutuality, it is not about tax efficient monetising of “perks”.

What do you think will change about employee share ownership over the next five years?

The Brexit vote is a clear message and mandate for change. British business must find ways to galvanise its workforce, put the “Great” back into Britain and compete and win business on a different basis from previously. New ways forward have to be found. Securing the kinds of flexibility, quality control and price competitiveness in a business with a workforce which shares the vision of a sustainable future, must be more likely than striving for

those objectives with a workforce that is committed to preserving historic rights, job descriptions, processes, demarcations and rates.

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

Although I have been a keen observer in the industry – I have never worked directly in it – as my employers have been education authorities, international banks and regulatory authorities.

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

From a socialist point of view, increasing the “working man’s” wealth and his capacity to influence management decisions, are worthy goals and, at the same time, from a more capitalist point of view, a model which increases the number of wealth creators, increases self determination and reduces reliability on the state are also highly attractive.

Which aspect of the Esop Centre do you most value?

Charming, helpful people and extremely interesting and useful published resources.

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

Nothing! Its an organisation which “aint broke”.

What is your idea of perfect happiness?

Lying in the arms of my love at the end of a productive and profitable day when I know my children are fine, animals fed and the cat has been put out.

What is your most marked characteristic?

Energy.

What do you consider your greatest achievement?

Work – obtaining the first free standing Mareva injunction in an offshore jurisdiction, fundamentally ending offshore secrecy.

Personal – staying alive.

What historical figure do you most identify with?

Duke of Wellington.

Which living person do you most admire?

Joy Bell. Joy is a 90 year old friend. She is enormous fun, intelligent, loving, kind – she still hikes, kayaks and gardens and, still studies. Joy is an inspiration of the power of quiet strength, the power of love, the steel of a life filled with love, service and humour.

Who are your heroes in real life?

My mother and father. Amazing people. They survived the war, a turbulent marriage, and brought four children up to have an appetite for life and to maintain integrity and self belief.

Which word or phrases do you most overuse?

Lovely.

What is your most treasured possession?

1900 edition of Mrs Beaton . It belonged to my great aunt who carried it to her first home as an 18 year old married to a young army officer in India. Its full of her annotations to recipes and first aid instructions, including gunshot wounds and snake bites. Its still the first cookery book or first aid manual I go to and seems to have got me through raising my children, wine making and interviewing cooks and maids. A true handbook for life!

If you would like to suggest a profile for newsbrief please
contact Daniel Helen dhelen@esopcentre.com; 020
 7239 4971.

Sponsor the Centre's website

The Centre is offering three website sponsorship packages of various prominence, duration and price.

Please contact Daniel Helen to register your interest or to request more information, by emailing esop@esopcentre.com or by calling on 020 7239 4971.

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