

newsbrief

January 2018



CONFERENCES AND EVENTS

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. Confirmed speakers include: Graham Muir, CMS; Pett Franklin; and Paul Malin, Haines Watts.

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 register your interest in attending, email: events@esopcentre.com, or call 020 7239 4971.

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 Elysees and Avenue Montaigne.

You are invited to email proposals for presentations at the summit. Pace is of the essence as only nine of the 12 slots are still available after a weekend flurry. Both 30 minute solo slots, which cover an important technical issue affecting international employee share schemes, and, 45 minute employee equity case history slots, in which a client joins the main speaker(s) at the podium, are available.

The programme will contain at least a dozen speaker slots and open debates, spread over the two days. Generic subject areas will include:

- Share plan regulation – MIFiD2 and GDPR - how are they bedding in?
- Case histories featuring latest developments in employee equity plans

- Executive equity remuneration: has the tide turned? Are LTIPs doomed?
- Re-casting all-employee share plans post a merger/takeover
- Share plan administration techniques
- Employee communications in share plans - overcoming cultural differences
- The likely impact of Brexit on international employee equity plans
- Benchmarking international share plans - getting value for money
- Latest developments in French international employee equity plans
- Employees and economic democracy
- Restricted Stock Units - are they best used in international equity plans?
- New ways to improve take up

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

Delegate fees*:

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

**These fees are not subject to VAT, because this event takes place outside the UK.*

If you wish to speak at this key event, please contact *newspad* editor, Fred Hackworth at fhackworth@esopcentre.com.

CENTRE & MEMBER NEWS

WEG January 16 meeting

The Employee Shares Worked Examples Group will meet on January 16 to discuss worked examples with HMRC.

Share plan practitioners are invited to submit worked examples for assessment, agreement with HMRC and online publication to weg@esopcentre.com.

Aon acquires real estate investor

Aon Hewitt **has bought the Townsend Group**, a global investment and advisory services provider focused on real estate and real assets.

New Cytec Solutions digital newsletter

Cytec Solutions has launched a digital publication, '**on/track**'. The first issue includes: EU Market Abuse Regulation; a Q&A with Carolyn Sharpe of Rolls Royce about MAR; a summary of Cytec Solutions's seventh Insider User Group meeting; and an announcement on Sharetrack 4.

Estera sponsors Frostbite series

As the new owner of Heritage Financial Services Group, **Estera will sponsor Frostbite** in 2018. Frostbite is a series of seven yacht races held between January and March, organised by Royal Channel Islands Yacht Club.

Intertrust nominates new ceo

Stephenie D Miller has been **nominated by Intertrust to be its new ceo**, subject to shareholder and regulatory approval. Hélène Vletter-van Dort, chair of Intertrust's Supervisory Board said: "We know her to be an excellent leader with a clear strategic view on our industry, a knowledgeable all-round professional and an inspiring individual. With her extensive experience in the financial services sector in the US, Asia and EMEA and her strong focus on digitisation at SS&C, the Supervisory Board is confident that Stephanie is well positioned to lead Intertrust."

IPPR report urges measures to spread ownership

Nigel Mason of RM2 and Matthew Lawrence from the Institute for Public Policy Research Commission on Economic Justice have recommended action to promote the spreading of the ownership of capital and reduce inequality in the UK. The policy paper, *Capital Gains*, includes arguments for the expansion of EOTs.

Linklaters advises award-winning African projects

Two deals with Linklaters as advisers have won awards at the 2017 African Deal of the Year Awards at the Project Finance International Awards. The Mozambique based, US\$8bn Coral South floating liquefied natural gas (LNG) project won *oil & gas deal of the year*; *logistics deal of the year* went to the US\$4bn Nacala Corridor Rail and Port project in Mozambique and Malawi.

[Read more.](#)

Morgan Stanley and UBS Solium Shareworks conversions

Solium has successfully migrated UBS Financial Services and Morgan Stanley Global Stock Plan Services onto its *Shareworks platform* – both companies will continue to service their own clients directly, while using the Shareworks platform.

Willis Towers Watson success at European Risk Management Awards

Willis Towers Watson has won *captive management solution of the year*, and, *broker innovation of the year*, at the **2017 European Risk Management Awards**. The Federation of European Risk Management Associates, in conjunction with Commercial Risk Europe, hosted the awards.

Zedra to open Luxembourg office

To celebrate the launch of its new **Luxembourg office**, Zedra will be hosting a champagne and cocktail reception January 18.

RM2 webinars

Using real life scenarios, Sarah Anderson will address whether a share scheme (and what type of scheme) will be of benefit to your business. The event takes place: January 17, 11:00-11:30 am.

On January 31, 11:00-11:45 am, Garry Karch will consider business valuation techniques used in corporate finance, and how they can be applied.

To find more information, or sign up for any of RM2's webinars, [click here](#).

Deloitte webinar: Global Share Plans, January 31

Deloitte will hold a webinar on January 31, 14:30 covering tax changes and the impact on companies that offer equity incentives to employees worldwide.

Sign up for the webinar [here](#).

Pinsent Masons webinars

Claire Murray will host *Delivering Technology & Change Programmes – What Wrong and Why*, on January 25, 13:00-14:00.

You can join Jon Coley and Leanne Francis on February 8, 13:00-14:00, for *GDPR – a Focus on HR Data*, as they highlight key points when making a GDPR implementation plan.

Pett Franklin webinar: The Future of Share Schemes, February 13

William Franklin, of Pett Franklin, will be joined

by Centre chairman Malcolm Hurlston CBE on February 13 at 11:00 am, to provide their views on [the future of share schemes](#). Topics of discussion will include today's *major* political issues, such as how share schemes can be used to bridge the divide between capital and labour.

Contact [Pauline Atkins](#) to register for the event.

UK & GLOBAL NEWS

Knighthood for Ed Troup

The chairman has offered the Centre's congratulations to Ed Troup on his knighthood. Ed was until the end of last year chairman of HMRC, having started his career at member Simmons and Simmons.

European Parliament: trust beneficiary information to be made available

The European Parliament and the European Council have agreed, in principle, to change EU rules to increase transparency on who really owns companies and trusts. The [proposed changes](#), which will occur following amendments made to the EU's Fourth Anti-Money Laundering Directive, allow those with a 'legitimate interest' and, regulated professionals and tax authorities, to be able to access trust beneficiary information. The changes will also make registers of ownership of companies publicly accessible.

Whether the UK will be obliged to make the proposed amendments, which have not yet been formally endorsed by the European Parliament and the Council, will depend on the UK's Brexit terms.

Share plan administration and GDPR

Suzannah Crookes, of Pinsent Masons, warns that companies operating employee share plans will likely have to act following the General Data Protection Regulation to remain compliant. Many companies commonly have relied on data subjects' consent as the basis for processing their information; once GDPR comes into force, however, for most share plan data processing this will not, in general, constitute appropriate lawful ground.

Ms Crookes notes, because of how many share plans work, it may not always be possible for companies to coordinate GDPR compliance planning for all employment and share plan needs. GDPR comes into force on May 25 2018.

Click here to [read more](#).

Esop owned company's ceo runs for governor of Maine

Shawn Moody, founder of Moody's Collision Centers, an employee owned company with almost two hundred employees, is running for governor of Maine. Moody's employee ownership is based around Shawn Moody's belief that empowering people, and challenging them to achieve success, benefits everyone from the top-to-bottom of an organisation. Moody's, which has 11 branches in Maine, has twice won the award *Maine's best place to work*.

Chinese state-owned enterprises experiment with employee ownership

Chinese economic reforms have led 136 state-owned enterprises to experiment with employee stock ownership plans. The State-owned Assets Supervision and Administration Commission has stated SOE reforms will be stimulated by private capital.

Keller in talks to buy all employee owned company

The Keller Group, the world's largest independent geotechnical solutions specialist, is **in talks** with geotechnical contracting company Moretrench, an all employee owned entity with a revenue of US\$170m in 2016.

Tom Levitt: new book

Former Labour MP Tom Levitt has released a new book - *The Company Citizen: Good for Business, Planet, Nation and Community*, published by **Routledge**. The work, which not only addresses how major global and local issues can be tackled, but also how more and more businesses are already addressing them (with some heading in the wrong direction), includes pages on employee share ownership.

RECOMMENDED READING

When Corporate Social Responsibility backfires

Corporate social responsibility can lead to detrimental employee behaviour in dimensions which hurt their firm argue Professor List and Dr Momeni. In *When Corporate Social Responsibility Backfires: Theory and Evidence from a Natural Field Experiment*, the authors connect corporate social responsibility to employee misconduct and shirking. By employing more than 3000 employees, it is found that 20 percent more employees act detrimentally toward their firm by shirking on their primary job duty when CSR is introduced. It is argued this is caused by 'moral licensing'; CSR's doing good nature induces misbehaving in other areas of work by employees.

Esop: more than just a paycheck

John Case of the National Center for Employee Ownership, Professor Campbell and Bill Fotsch argue that the idea of a *good* blue-collar job has changed; now employees **must feel both engaged with their company and act like business owners**. The authors contend an effective employee ownership plan coupled with short term incentives which link workers' interest into the company's performance is the best way to achieve this.

MEMBER PROFILE



Gavin Oldham is chairman of the **Share Centre** and its parent company **Share plc**.

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

It builds a sense of participation and partnership within a business, encouraging alignment between employees, management and external shareowners. Since responsibility and ownership are closely linked, it also leads to a more mature, business-focused society less prone to damaging swings in political sentiment, and it

enables a positive and more egalitarian attitude to economic growth.

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

By letting employees take the initiative in setting up self-started Share Incentive Plans in the companies for whom they work, thus no longer dependent on company boards taking the initiative. This would kick-start plans in a wide range of listed companies where they are not currently in use.

Also, by publicising the very attractive features of SIPs for employees generally.

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

That they would be denying their employees a valuable saving/investment facility by not introducing the plan, whereby the employee can receive both upfront and ongoing tax relief and supplement their pension on a diversified basis within three/five years in addition to their closer relationship with the company.

That they are missing a big opportunity to align their employees more closely with the business, thereby increasing its productivity.

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

It needs more political commitment, and a closer link with a more egalitarian form of capitalism. The current political atmosphere has echoes of the 'Us and Them' attitudes prevalent in the 1970s, and this needs addressing by empowering people to be more in control their own destiny.

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

The partial move from share options largely focused on senior management to all employee share ownership, now known as the Share Incentive Plan. However, it has much further to go.

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

Enabling employees in companies where the Share Incentive Plan has not been introduced to take the initiative by opening plans with a provider of their choice.

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

Because it is genuinely focused on a more egalitarian society where individuals can take more control of their lives. This is not surprising in a democracy, where all parties should seek to empower and benefit the voting individual.

Which aspect of the Esop Centre do you most value?

Helping to keep us focused on the task of encouraging wider employee share ownership.

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

There is a need for a much deeper look at the health of listed share ownership, as more companies turn to Private Equity and less companies are quoted on the stock market. This encourages an increased and unhealthy

level of institutional intermediation, and it may require more focus on customer share ownership in addition to employee share ownership.

Part of this is due to the emergence of a very small number of tech giants with immense buying power, which is driving the 'trade sales' market, and it has the potential seriously to undermine the extent of employee share ownership.

What is your idea of perfect happiness?

A society governed by unconditional love.

What is your most marked characteristic?

Having ideas which can change the world hopefully for the better, and seeking to take action to implement them (doesn't everyone do this?).

What do you consider your greatest achievement?

Pass – it depends from which perspective!

What historical figure do you most identify with?

Pass – there are several I aspire to, but 'identify with' is more challenging.

Which living person do you most admire?

It would have been Nelson Mandela had he still been alive.

Who are your heroes in real life?

Jesus Christ.

Which word or phrases do you most overuse?

Seeking logical connections between seemingly unconnected issues.

What is your most treasured possession?

The love which is God, which must be given in the same measure that we receive it – abundantly.

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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