

newsbrief



October 2017

CONFERENCES & EVENTS

World Centre Awards Dinner 2017: Tuesday October 31

Only a fortnight now before the **World Centre's sixteenth awards dinner** at the **Reform Club** in London on the evening of Tuesday **October 31** 2017.

The Awards Dinner brings together members and guests – UK and international companies and their expert advisers – to recognise and celebrate the best in employee share ownership. This stylish enjoyable black-tie event is the perfect way to celebrate the year with clients, colleagues and peers.

The evening will be hosted by Sir Graham Melmoth, former chairman of the National Council of Voluntary Organisations and outstanding chief executive of the Co-op.

Both individual and group tickets are available.

Table of ten: £1,800 + VAT *

Member: £195 + VAT

Non-member: £270 + VAT

* Tables of ten can only be purchased by **Centre members**.

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

This year's guest of honour is influential "Red Tory" Phillip Blond, director of the think tank ResPublica. Among the companies nominated for awards are: Ahold Delhaize; Amadeus;

Google; Nokia; Phillips 66; River and Mercantile; Sage; Telefonica; Teva Pharmaceutical Industries; and Valero.



British Isles employee equity symposium: Thursday/Friday November 16–17

The Centre's second British Isles employee equity symposium is being hosted by **White & Case's** offices in the City on **Thursday/Friday November 16–17**, featuring an expert speaker line up with two major controversial sessions.

In his opening address Centre chairman, Malcolm Hurlston, CBE, will call for a share plan renewal.

And if you thought high pay was simply wrong you will have another think coming when you hear from Professor Len Shackleton of the **Institute of Economic Affairs** and the **University of Buckingham**; he leads a controversial session with industry experts Damien Knight of **MM & K**, Damian Carnell of **Willis Towers Watson**, and Paul Jackson, who writes for the **Investors**

Chronicle. Let's hear it for high pay! (There will be dissent...) Anybody involved in senior management pay will find it essential listening.

There will be distinctive contributions from Colin Powell CBE, adviser to the **government of Jersey** on Brexit; William Franklin of **Pett Franklin**; Garry Karch of **RM2**; John Hunter of the **UK Shareholders Association**; Mick McAteer of the **European Commission Financial Services User Group** (whose powers include representing employee shareholders to Brussels); Louise Jenkins, **FTI Consultants** and Nicholas Greenacre, Tom Hickman and Helen Levendi from hosts **White & Case**. Robert Scallon, of the **International Association for Financial Participation**, a Thales employee shareholder, will alert to the dangers of the Loi Eckhart which could see thousands of UK shareholders deprived of their holdings. **David Craddock** will lay out the massive research case for the benefits of employee ownership.

The second no holds barred session will be an exposé of the Roadchef scandal. Twenty years on Roadchef employee shareholders are still waiting to be paid. Three years ago BBC and national media reported the waiting was over but not a penny has yet reached the beneficiaries. Only newspad, edited by Fred Hackworth who leads the session, has kept up the pressure. Now at least an all party Early Day Motion has called for action and (parliamentary time permitting) Fred will be joined by SNP signatory Martyn Day MP. Meanwhile, Centre chairman Malcolm Hurlston is writing to all the current players asking them to come and explain or make a statement to be read out.

[Download the event brochure, sponsored by Estera and Intertrust, to view an outline programme](#)

One speaker role for a member is still available: a solo slot or alongside a marquee speaker. If you would like to make a presentation, send your proposal to Fred Hackworth as soon as possible: fhackworth@esopcentre.com

Bookings

	Member	Non-member
Practitioner	£415	£625
Trustee	£330	£500
Plan issuer	Free*	£75

*Subject to £50 admin fee.



All attendance fees are subject to standard VAT.

You can register as a delegate by sending an email to: britishisles@esopcentre.com

The Centre thanks White & Case, our generous hosts.

CENTRE & MEMBER NEWS

SGPB Hambros and Kleinwort Benson Channel Islands merger

Societe Générale is integrating its UK, Channel Islands and Gibraltar private banking and wealth management division. From November 6 2017 there will be a single brand name **Kleinwort Hambros**.

Aon Hewitt to acquire employee benefits firm

Aon Hewitt's acquisition of, UK based employee benefits firm, **Portus Consulting**, has been approved by the Financial Conduct Authority.

Computershare launches charity fund

Starting this December, **Computershare's Loan Services division** will donate up to £5,000 a quarter towards helping people who face financial hardship. Computershare currently is looking for submissions from suitable charities.

Estera launches in Luxembourg

Estera has created a Luxembourg office following its acquisition of **Headstart** earlier this year. [More information.](#)

Bird & Bird expands to US

Bird & Bird will be launching a new office in **San Francisco** in mid-2018, offering its US clients non-US legal advice in their local time zone. [Read more.](#)

Ocorian expands into Luxembourg and the Netherlands

Ocorian has agreed to purchase **Intruad Management Services, Amsterdam** and **Intruma Corporate Services, Luxembourg**. This will extend Ocorian into the Netherlands and increase its Luxembourg presence. The transaction is expected to be completed before the end of 2017.

Sanne to purchase leading Luxembourg AIFM and UCITS fund

Sanne has announced it will be acquiring **Luxembourg Investment Solution S.A.**, a leading third-party investment fund management company with €8.3 billion of assets under administration, and, **Compliance Partners S.A.**. The companies are based in Luxembourg with a small operation also running in Dublin. It is expected the transaction will be completed in the first quarter of 2018.

Menke & Associates webinar: ESOP technical issues, October 26-28

Menke & Associates legal and administrative staff will be leading a webinar on advanced operational and administrative issues facing the running of an Eso in the United States. [The full webinar agenda can be accessed here.](#)

[Click here to register for any of the three days of the event.](#)

RM2 webinar: The role of vendor financing in an employee ownership trust sale, October 18

Garry Karch of **RM2** will be leading a webinar addressing the role of vendor financing in a business transitioning to employee ownership using an EOT. The session will be held 11:00–11:45 on Wednesday October 18. [Click here to register.](#)

UK & GLOBAL NEWS

HMRC: share scheme registration process confuses employers

In the latest [Employee Related Securities \(ERS\) Bulletin](#), HMRC announced that many new share scheme registrations on ERS's online service are incorrect. In particular, common errors were

found in reporting Company Share Option Plans and Schedule 2 Share Incentive Plans — serious enough to disqualify the schemes. Incorrect scheme registration and return submission can be subject to penalties of up to £5,000 and the loss of tax advantages on awards and grants.

GOP tax-reform framework

The Trump Administration released an outline of a new tax bill: “[Unified Framework for Fixing Our Broken Tax Code](#)”, on September 27. For individuals, the outline calls for the repeal of the estate tax; elimination of the individual alternative minimum tax and fewer individual tax brackets. For businesses, a move to territorial taxation system (rather than taxing US companies’ worldwide income), a one time accumulated offshore earnings tax, and, limiting the deductibility of interest are amongst the changes listed in the bill. Many details still need ironing out and further specification.

The Republicans have announced that their goal is to have tax reform legislation enacted by the end of the year. This document is the latest development in Trump’s ongoing proposed tax reforms.

HMRC successfully appeals meaning of “ordinary share capital”

The Upper Tribunal has deemed that, in the case of *McQuillan v HMRC*, shares which carry no right to a dividend should be treated as “ordinary share capital”. This follows an appeal from HMRC of the First-tier Tribunal’s decision that instead shares without the right to a dividend should be regarded as having a right to

a dividend at a fixed rate of 0%; “ordinary share capital” entails not having a fixed dividend rate.

The new ruling, which has implications for share schemes, is viewed as more in line with HMRC public guidance and other past related tax cases.

For a more detailed explanation, [click here](#).

Sharesoc-UKSA response to HM Treasury consultation

Sharesoc and USKA have submitted a [joint response](#) to HM Treasury’s [consultation](#) on the subject of financing growth in innovative firms, which was launched last August.

YouGov: employee owned businesses more trustworthy

A YouGov poll, commissioned by the Employee Ownership Association with support from Co-operative Development Scotland, found that 58 percent of UK respondents judge employee owned businesses more trustworthy than non-employee owned businesses. The survey also found: 53 percent deem more employee owned businesses would be advantageous for the UK’s economy; 44 percent are more willing to apply for a job with an employee owned business; and, 41 percent of respondents are more likely to buy services or products from employee owned businesses.

The logo for YouGov, with 'You' in red and 'Gov' in grey.

MEMBER PROFILE



Claudia Yañez is director of Executive and Equity Compensation at **SunPower**.

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

Share ownership provides a means for employees to share in the rewards (via share price appreciation) that come from an organization delivering on its mission – whatever that might be. At SunPower, we have a very ambitious mission, to change how our world is powered. Sharing in the rewards of making that happen is a strong incentive for employees and provides economic well-being and empowerment.

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

In the US, we rely heavily on competitive market practices for all pay programmes. I believe linking compensation strategy to the business strategy, is a powerful and convincing way to increase support and adoption of employee share ownership programmes.

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

I would advise them to consider employee share ownership as another offering within a company's portfolio of employee value proposition offerings. I would also advise them to do their homework about what they are undertaking, and how employee share ownership fits in with the company's unique culture and mission. When it comes to employee stock programmes, there may be more stakeholders to manage than for other employee programmes, and due diligence to ensure programmes are designed and administered properly.

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

I cannot predict, but can only hope simplification so programmes are easier to design and implement across geographies for the benefit of more employees and their organizations.

Which aspect of the Esop Centre do you most value?

I most value the opportunity to go outside my own little world and comfort zone (in the US) and learn what others are doing in employee share ownership in other parts of the world. I always learn something new and including new ways to tackle some of the challenges I face in my role.

What is your idea of perfect happiness?

A beach vacation with my family. One of my favorite quotes which I always use as my auto-reply when I'm on such a trip is: "The cure for anything is salt water – sweat, tears, or the sea." – Isak Dinesen (pseudonym of Baroness Karen Blixen, Danish writer).

What is your most marked characteristic?

I am very curious, which makes me a terrific problem-solver. I am tenacious about finding an answer to a question, which typically leads me down a path of more questions, and answers, and questions – which can frustrate those around me that just want a quick answer already. However, a select few completely trust and depend on me because they know the level of effort I have put in.

What do you consider your greatest achievement?

In terms of greatest impact, I believe it has been my professional contribution at SunPower over the last four years, particularly the securing of company shares for employee stock programmes. Few people have visibility to the details of that process, and how iterative and long it can be before an employee ever receives an award of shares. At the end of the day, I remind myself those awards represent economic well-being and wealth for many individuals and their families, and that is extremely rewarding.

What historical figure do you most identify with?

I'm a big fan of Abraham Lincoln. Many of the quotes attributed to him really resonate with me.

"Nearly all men can stand adversity, but if you want to test a man's character, give him power."

"Better to remain silent and be thought a fool than to speak out and remove all doubt."

"All that I am, or hope to be, I owe to my angel mother."

"I am a slow walker, but I never walk back."

"Things may come to those who wait, but only the things left by those who hustle."

"We can complain because rose bushes have thorns, or rejoice because thorn bushes have roses."

Who are your heroes in real life?

My parents and grandparents who as immigrants had to leave their places of origin to come to a new place, with a new language and ways of doing things, to make a better life. Without their personal sacrifice and hard work I would not have the opportunities I have today.

Which word or phrases do you most overuse?

It's not a nice word, so I will not write it here, needless to say it's a word I use when I'm angry or worked up about something. I've made it a goal to use it less, which is why using it at all seems like overuse.

What is your most treasured possession?

A handwritten poem my husband wrote to me when we first met.

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:

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