



Technical consultation on the draft legislation to remove the EMI notification

In the Budget 2025 the government announced that the current requirement to notify HMRC of the grant of an EMI option will be removed. This change will apply to options granted on or after April 6 2027.

Draft legislation was published on July 13: [Enterprise Management Incentives \(EMI\): simplification of the process to grant options - GOV.UK](#)

A technical consultation on the draft legislation is now open and will run till September 7 2026. The purpose of the consultation is to ensure that the draft clauses work as intended and achieve the policy objective.

Through the Centre's regular dialogue with HM Treasury, we know receiving a consolidated industry view alongside individual submissions is valued. So, while we anticipate that members will respond directly to the consultation, we welcome hearing your views too, which we shall ensure will inform the Centre's response. Please send your comments to esop@esopcentre.com by August 24 2026.

CENTRE AND MEMBERS NEWS

Wayve boost for PISCES

CityAM reported that Wayve has announced [an \\$85m \(£63m\) employee share sale](#).

In a "major boost" for the City's efforts to keep tech firms on home soil, the British autonomous driving unicorn is using PISCES to allow employees to sell part of their vested equity.

The transaction, which values the company at \$8.6bn, marks the first high-profile use of the platform by a major UK tech firm, and is set to test whether the government's flagship private markets reforms can provide liquidity without companies rushing towards a US IPO.

Wayve stressed the transaction is an employee liquidity event rather than an investor sell-off, with staff selling existing shares to approved investors rather than the company raising fresh capital.

A **Deloitte** team, led by Arran Simpson and Joshua Lewis, advised on this milestone transaction that brings together world-first PISCES regulation and legislation, a highly automated secondaries platform, and tax benefits for employees.

[Arran commented](#) "We are continuing to see strong interest from private companies in using the PSM and PISCES to access secondary liquidity for both employees and existing investors."

CENTRE AND MEMBERS NEWS

Dematerialisation and digitisation of a shareholding framework

In a recent insight, **EQ** offers a practical overview of what can be learnt from **other markets as we move away from paper share certificates**. Many have already moved away, but have taken different routes to get there. Other markets have explored too, how to move away from printed communications between issuers and shareholders, and how to make electronic payments to shareholders.

For UK company secretaries, these approaches offer useful insight into what works in practice, and where the trade-offs lie. The insight provides a general overview of how dematerialisation and digitisation has been approached in other countries, answering key questions including:

- ⇒ Have paper share certificates been eliminated?
- ⇒ Is the use of an intermediary generally required to hold shares?
- ⇒ Do shareholders have the right to vote through intermediaries?
- ⇒ Are digital communications generally the default?
- ⇒ Are electronic payments generally the default?

EQ describes jurisdiction findings for USA, Canada and Australia, which have largely eliminated paper certificates but retain flexibility, with shares generally dematerialised by default. Their dematerialisation is market driven. The EU has mandatory dematerialisation within a CSD framework, including the Ireland, which completed the mandatory dematerialisation of shares on January 1 2025; and studies Hong Kong which is implementing an Uncertificated Securities Market (USM) during 2026.



Employment Rights Act changes set to reshape fixed-term contracts

Lewis Silkin examines how upcoming changes under the Employment Rights Act 2025 will significantly affect employers' use of fixed-term contracts. With the unfair dismissal qualifying period expected to fall from two years to six months in 2027, businesses will face greater legal obligations when fixed-term contracts come to an end, requiring fair reasons for dismissal and appropriate procedures rather than relying on contract expiry alone. The analysis outlines the practical implications for employers, including reviewing contract templates, strengthening renewal processes, preparing for redundancy or other fair dismissal procedures, and ensuring fixed-term arrangements are genuinely justified. It highlights the increased importance of planning ahead as wider employment law reforms **reshape workforce management**.



New employment tribunal guidance on interim relief

Baker McKenzie has highlighted new guidance issued by the Presidents of the Employment Tribunals in England, Wales and Scotland in response to a sharp increase in applications for interim relief. The Tribunal partly attributes it to the growing use of generative AI to prepare lengthy and often unfocused submissions. Interim relief is available in certain automatic unfair dismissal claims, particularly those involving whistleblowing, and can require employers to reinstate dismissed employees or continue paying their salary until a final hearing, which may be several years away. The new guidance reiterates that applicants must demonstrate a very high likelihood of success (closer to certainty than mere probability), and emphasises the need for concise, relevant and accurate submissions. Baker McKenzie believes that, despite the high threshold, employers should expect interim relief applications to remain common because of their tactical value, advising employers to prepare by ensuring applications are dealt with immediately upon receipt, maintaining comprehensive records of dismissals, particularly where whistleblowing allegations may arise, and establishing internal procedures to respond quickly within the Tribunal's seven-day notice period. A robust defence is essential given the potentially significant financial **consequences of an unsuccessful outcome**.



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IPO readiness: Preparing exec equity compensation for public markets

JP Morgan Workplace Solutions highlights the importance of building robust governance and remuneration frameworks before entering the public markets. The guidance covers establishing compensation committees, benchmarking executive pay, planning equity awards, and developing a clear compensation philosophy that can withstand increased investor and regulatory scrutiny. It examines the practical implications of becoming a listed company, including pay transparency requirements, insider trading rules, lock-up periods, Rule 10b5-1 trading plans, and executive education. Together, these considerations can help organisations create a well-structured equity compensation strategy that supports long-term growth, talent retention and a successful transition **to life as a public company**.



Image by Tim Allen from Pixabay

The FCA's new rules on non-financial misconduct

The Financial Conduct Authority has for several years emphasised the importance of culture, governance and individual accountability for good regulatory outcomes. However, there has been uncertainty about how firms should act when addressing non-financial misconduct, where there was no direct link between that misconduct and the performance of a firm's regulatory activities. That lack of clarity has now been addressed through new rules and guidance, after extensive engagement with firms in the sector. The FCA's new rules on non-financial misconduct come into force on September 1 2026. **Burges Salmon's** employment team has published a [series of articles which focus on key issues for HR professionals](#) and others with responsibility for people issues in regulated financial services firms.

31st annual PE/VC compensation survey launched

MM&K's annual *PE/VC Compensation Survey* provides one of the industry's most established benchmarks for compensation, incentives and workforce trends across private capital. The market is shifting rapidly. Compensation structures, talent strategies and organisational models are changing in ways firms can no longer ignore. The 2026 survey will capture those changes and provide firms with the data needed to make informed decisions. The value of any benchmark depends on the quality and breadth of participation. Contributing firms receive access to [stronger market intelligence and more meaningful comparisons](#).

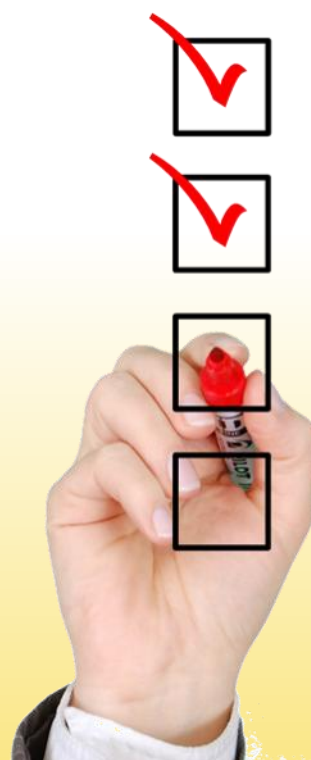


Image by Tumisu from Pixabay



Luxembourg's new tax framework for employee stock options: a game changer for start-ups and scale-ups

On July 1 2026, the Luxembourg government submitted a draft law No. 8782 to parliament proposing a new tax framework for employee stock options granted by certain innovative start-ups and scale-ups.

Ogier's Luxembourg team explains that draft law No. 8782 would amend the Luxembourg income tax law of December 4 1967 (LITL) to support Luxembourg's innovation ecosystem and help high-growth businesses attract and retain talent through equity-based incentives. Subject to the completion of the legislative process, the proposed rules would apply to **stock options granted from the 2027 tax year onwards**.



Image by Mona Tootoonchinia from Pixabay

More Indian founders recognise Esops as a strategic part of building enduring companies



Image by LillyCantabile from Pixabay

In an interview for *YourStory*, ceo and founder Ifty Nasir described **Vestd's** journey in India, the opportunities he sees in the market, and why he believes **education about employee ownership is just as important** as the technology that supports it. Vestd entered India in 2025 through the acquisition of Trica Equity, the equity management platform founded by Shanti Mohan and Sanjay Jha under the LetsVenture umbrella in 2019. At the time of the acquisition, Trica Equity worked with close to 1,000 startups, including 11 unicorns and around 150 post-Series A companies.



Octopus Energy staff seek union recognition

HR Magazine reported that employees of Octopus Energy are seeking union recognition, despite the CEO arguing that unionising is unnecessary because all workers own company shares.

The GMB Union is preparing to submit a formal proposal for voluntary recognition at the London-based firm, which, according to the *Financial Times*, is the only large British energy supplier that does not currently recognise a union.

A spokesperson at Octopus Energy emphasised leaders of the firm's belief that, given every employee is a shareholder, the company was “much less ‘them and us’ than traditional businesses”, adding that Octopus was “consistently named one of the best places to work”.

Octopus representatives described it as “unfortunate that the biggest unions in energy want to nationalise us – **which would kill our employees’ share ownership.**”

IMF raises UK growth forecast despite ongoing geopolitical risks

The International Monetary Fund has raised its UK growth forecast for 2026 from 0.8 percent to 1.0 percent, citing stronger-than-expected economic resilience despite the continued uncertainty created by conflict in the Middle East and disruptions around the Strait of Hormuz. Although higher energy, transport and fertiliser costs are expected to keep pressure on businesses and consumers, the IMF believes the UK remains on course to outperform several other G7 economies this year, although growth is still forecast to lag behind the US and Canada.

The Fund projects that core inflation will continue easing towards the Bank of England's two percent target by mid-2027, and warns that renewed geopolitical tensions could affect global energy markets, supply chains and the broader economic **outlook in the months ahead.**



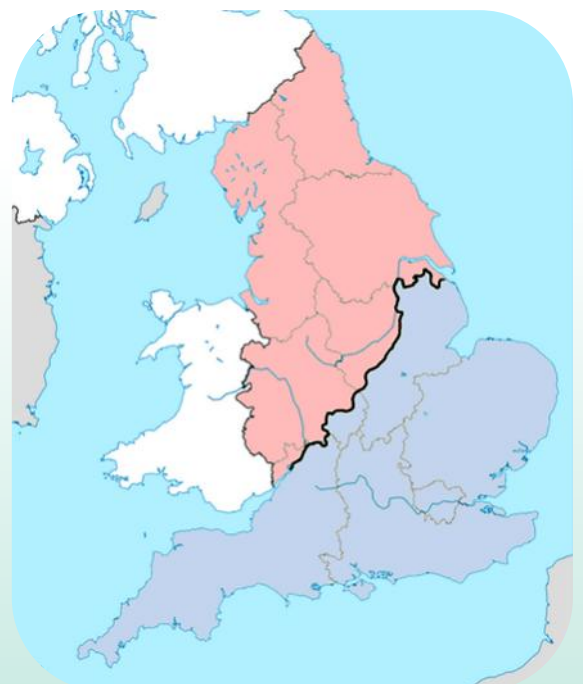


UK financial system strengthened

HM Treasury announced on July 10 that four global Cloud Service Providers are to be brought under a new regime from July 13 to help strengthen the resilience of the UK's financial system and protect the services millions of people and businesses rely on every day. As banks, insurers and financial market infrastructures become increasingly reliant on cloud services, disruption at a major supplier could affect multiple firms at the same time, and impact services customers depend on. To help guard against this risk, the government has designated four major global cloud services and technology providers "**Critical Third Parties**".

Regional income divide shows little progress in 30 years

The Resolution Foundation has reported that Britain's deep regional household income disparities have barely narrowed over the past three decades despite successive governments' promises to rebalance the economy. As Andy Burnham prepares to take office, the think-tank warned that gross disposable household income per person in London (£27,900) remains three-fifths higher than in Northern Ireland (£17,300), while the gap between Kensington and Chelsea (£60,584) and Leicester (£13,398) has stayed consistently wide. More than half of the poorest local authorities in 1997 remained at the bottom in 2023, underscoring entrenched divisions that persisted even under the "levelling-up" agenda. Although some progress has been made in employment rates and productivity growth in cities such as Manchester – where incomes rose 40 percent in real terms – the city still lags well behind London. Burnham's devolution plans, centred on "Manchesterism", transport investment and housing, will require substantial commitment if they are to **overcome three decades of failure**.



An English North-South dividing line defined by Danny Dorling, former geography professor at the University of Sheffield



HSBC awards 273k shares to staff under global plan

HSBC Holdings granted conditional share awards to employees under the HSBC International Employee Share Purchase Plan. On July 9 2026, employees received awards to subscribe for a total of 273,474.84948 ordinary shares of US\$0.50 each, comprising 142,323.47272 London-listed shares and 131,151.37676 Hong Kong-listed shares. The closing prices on the grant date were £14.564 in London and HK\$152.30 in Hong Kong. The awards have a purchase price of £0 and a vesting period of two years three months, with no performance conditions or clawback provisions because of the all-employee nature of the plan. The plan is subject to a 10 percent share capital limit over a rolling 10-year period, with 1,111,378,343 shares **currently available to issue under this limit.**



Indonesia

BMRI transfers of 91.75 million treasury shares from buyback via esop

Bank Mandiri (BMRI) has completed the transfer of all 91.75 million treasury shares repurchased under its buyback programme through the employee stock ownership programme as of June 30 2026.

According to the company's disclosure on July 9, the transfer was carried out in stages beginning on June 24 2026: on June 24, the company transferred 73,361,600 shares at IDR 4,130 per share, leaving 18,388,400 treasury shares outstanding; on June 25 Bank Mandiri transferred a further 281,100 shares under the employee share ownership programme at a transfer price of IDR 4,130 per share; on June 26 the company transferred another 532,600 shares through the esop; finally, on June 29, BMRI transferred the remaining 17,574,700 shares under the same programme, leaving **no treasury shares from the buyback programme outstanding.**





Kenya

HFCB allocates KSh1bn stake to staff share ownership scheme

Staff at HFCB (formerly HFC, Housing Finance, HF Group) have joined the list of **the bank's top 10 shareholders** following the allocation of a KSh1bn stake under an employee share ownership plan, which has diluted the holdings of existing shareholders.



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South Africa

ADNOC Distribution acquires Shell's downstream assets in SA

The retail arm of Abu Dhabi National Oil Company, ADNOC Distribution, has signed a definitive agreement to acquire 100 percent of Shell Downstream South Africa for an implied enterprise value of around US\$1bn, expanding its fuel retail footprint in Africa. The transaction covers 580 fuel stations, as well as wholesale fuel, aviation and lubricants operations. Completion is expected in 2027, subject to regulatory approvals. Following closing, ADNOC plans to divest a **28 percent stake to a local empowerment partner and an employee stock ownership plan**. Additionally, ADNOC plans to retain the Shell brand through a long-term licensing agreement for its retail and lubricants operations in South Africa. The transaction would make South Africa ADNOC Distribution's fourth international market, following expansion into Saudi Arabia and Egypt. As of 2025, SDSA had fuel volumes of around 3.5 billion litres and operated 360 convenience stores.

أدنوك
ADNOC





USA

Employee share ownership: evidence, lessons & big ideas

What does history, and decades of data, tell us about employee share ownership? And what will it take to expand it? In a [video of a keynote from the TOP25 Worker Ownership Conference](#) at Harvard Business School, Rutgers University professor Joseph Blasi presents the deep American roots of worker ownership, the current state of Esops and equity compensation, and a bold agenda for what business schools and corporate leaders should do next.

Maureen Conway (Aspen Institute) and Corey Rosen (National Center for Employee Ownership) respond with perspectives from policy and practice.

Key themes:

- ⇒ George Washington signed the first US profit-sharing legislation in 1792, for cod fishermen
- ⇒ More than half of American workers report some form of shared ownership or profit sharing
- ⇒ Three years of equity grants at Microsoft and Amazon equal a third of the value of all closely held Esops in the US
- ⇒ Boards delegate equity compensation decisions for most workers to CEOs, a conflict of interest
- ⇒ If workers own the robots, they won't oppose AI, they'll benefit from it.

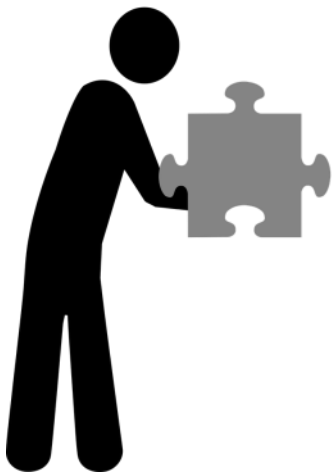


Regional groups partner to expand employee ownership in tri-state area

A regional group promoting employee ownership has reported a major boost to its work in the tri-state region. Rutgers University's New Jersey/New York Center for Employee Ownership and the Pennsylvania Center for Employee Ownership announced a partnership focused on [expanding the number of employee-owned businesses in all three states](#) by the year 2030.

According to a release, Ken Baker, a national leader in developing employee ownership, is supporting the collaboration with a \$1m endowment. Baker is the former CEO of NewAge Industries in Southampton, a manufacturer of biopharmaceutical and industrial fluid transfer systems. He established employee ownership at NewAge in 2006.





Property firm adopts hybrid EOT

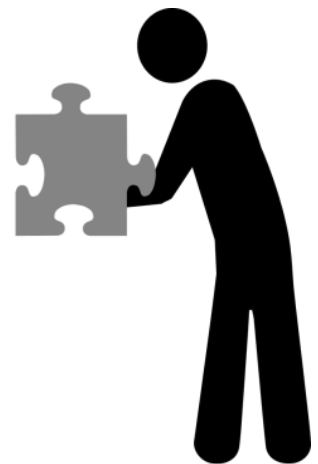
Kivells, a Devon-based property firm has transitioned to a hybrid employee ownership trust structure which combines employee ownership with existing shareholder and senior management control. The new model gives employees an indirect stake in the business while maintaining the current leadership team and governance arrangements. The firm stated the transition is designed to support its long-term independence and future growth.

Chairman Simon Alford said: “Every generation has a responsibility to leave Kivells stronger than it found it. The move to a hybrid Employee Ownership Trust achieves exactly that. It protects the independence and values that have defined Kivells since 1885, creates a clear succession for the future, and ensures the business will be led by **people who are fully invested in its long-term success.**”

Cars2 reports resilient performance following transition to EO

Motor retailer Cars2 has reported a modest fall in profitability during its first year under an Employee Ownership Trust, despite higher revenues and significant operational changes. The company, which established the EOT in January 2025, recorded pre-tax profit of £3.78m for the year ended December 2025, down from £4.11m the previous year, while turnover increased from £207.6m to £220.2m. Management attributed the decline in profit to transition costs associated with the move to employee ownership and a broader reorganisation of the dealer network. Directors said the EOT transaction received strong support from employees, manufacturers and financial partners, and had confidence in the group's prospects despite the continued uncertainty in the electric vehicle market. Staff numbers increased to an average of 280 during the year and directors' remuneration fell to £882,228.

No dividend was declared.



EOT round-up

- ◆ Electrical firm **Abbey Group Services**
- ◆ Global strategy and design studio **Dalziel & Pow**
- ◆ Communications agency **Eulogy**
- ◆ Ophthalmic lens manufacturer **Optimum RX Lens Specialists**

LIBRARY OF WEBINAR BROADCASTS:

Esop Sofa: Transatlantic Perspectives On Employee Share Ownership With John Hoffmire; Esop Sofa: PISCES Progress; Esop Sofa: 2025 AGMs, Remuneration Policies And Share Plan Design; Esop Sofa 2024 Review: Budget & PISCES; The Employee Voice; The Role Of Direct Employee Share Ownership In Market Economics; Esop Sofa: Hot Topics In Employee Share Ownership – Newspaper Review VIII; Esop Centre *newspad* Online Round-table; Esop Sofa: Esop Round-Table newspaper Review VII; Esop Sofa: Hot Topics In Employee Share Ownership – newspaper Review VI; Employee Share Plans & The Benefits For SMEs; Employee Share Schemes, Levelling-Up & Social Mobility; Why Employee Share Ownership Matters; International Share Schemes: Exporting the Vision; Esop Sofa: Hot Topics In Employee Share Ownership – newspaper Review V; Share Schemes And The Impact Of Inflation; The Future of Gig Working As A Dynamic Economic Alternative; The Employee Voice: Share Plan Votes ; Esop Sofa: Hot Topics In Employee Share Ownership – newspaper Review IV; Innovative Tax Techniques For Employee Share Schemes; Share Schemes For Non-Employees & The Gig Economy; Esop Sofa: Hot Topics In Employee Share Ownership; Building Back Better With Your Employees Through Shared Ownership ; EOTs: The Credible Alternative To Succession; The Role of Employee Share Schemes In Achieving The UN Sustainable Development Goals; Esop Sofa: Hot Topics In Employee Share Ownership - newspaper Review; Beyond Brexit: EU-UK Social Security Contribution Rules; Esop Sofa: Hot Topics – newspaper Review; The Share Valuation Worked Examples Group In The Changing Valuation Landscape; Looking Ahead To 2021: Moving Beyond Brexit In Financial Services Regulation; Insights Into

Share Valuation for Employee Share Schemes: Revealed Through Dynamic Case Studies; Lessons From Lockdown: Re-Assessing How You Manage Share Plans In A Digital Way; Employee Share Schemes: Innovative Communication Strategies Guaranteed To Increase Employee Take-Up; Selling Your Company To An EOT - How It Differs From An MBO; Institutional Investors' Views On The Use Of Share Plans; Esop Sofa – Hot Topics; Employment-Related Securities: The Complexity Unravelling Into Practical Application; Employee Ownership & The Future Of Capitalism; Could Equity Be Used To Replace A Portion Of An Employee's Salary?; The Case For Employee Share Ownership: The Heart Of The Matter Revealed; Esop Sofa Lockdown Stories; Share Valuation: The Wisdom On Price-Setting For Your Employee Share Schemes; Tools Of Engagement: The Power Of All-Employee Plans; Awarding Shares To Employees In A Covid-19 World; The Employee Share Trust: Establishing A Dynamic Market For Your Employee Share Schemes; How To Ensure All-Employee Share Plans Remain Relevant; Esop Sofa - What Are Today's Big Employee Share Ownership Questions?; Enterprise Management Incentives (EMIs) – Powerful Lessons From Five Practical Case Studies; Enterprise Management Incentives (EMIs) – Igniting Your Business By Sharing Success; Esop's Tales: The Foundation Of The Esop Centre.

Broadening horizons, Z/Yen Group is hosting a range of webinars over the coming weeks. For a full listing of Z/Yen, Long Finance, FS Club, and Esop Centre webinars look here - <https://fsclub.zyen.com/events/webinars/> - or sign up for mailings - <https://fsclub.zyen.com/#Subscribe>



Z/Yen Group Limited t/a The Esop Centre. Registered office:
1 King William Street, London EC4N 7AF. Company number
2965552 England

+44 (0)20 7562 0586 | esop@esopcentre.com |
www.esopcentre.com

ABOUT NEWSBRIEF

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To submit a story for the next issue of newsbrief, sponsor the publication, or to propose someone for a member profile, contact Juliet Wigzell:

T: +44 (0)20 7562 0586

E: juliet_wigzell@zyen.com