



EVENTS

AGMs, Remuneration Policy & Share Plan Design

If you missed the June 18 Esop Sofa webinar, you can hear a recording of the Centre's panel of experts discussing what recent agm reports tell us about changes in remuneration policy and share plan design to reflect the recent updated guidance from institutional investors.

Panellists Carla Walsham of Tapestry and Gary Fereday of Deloitte looked too at the impact on share plan implementation.

Thank you to everyone who tuned into the live broadcast. The recording [is available on the event webpage](#).

Please send any questions for the panel to esop@esopcentre.com.

Why do people really come to work?

Commenting on the Centre's June 5 share plans symposium, Vestd's Alan Clarke posted on social media:

"This was the big question posed by Dr Raj Persaud at the recent Employee Share Ownership Centre annual Symposium. His keynote explored this question through a fascinating mix of psychology and economics.

"An insight that really stood out for me?

"Motivation isn't just about the paycheque, it runs deeper, and there are two types:

⇒ *Intrinsic – pride, purpose, personal standards*

⇒ *Extrinsic – rewards, recognition, pressure*

"It turns out how someone is motivated massively impacts how they behave, and intrinsic motivation tends to drive more sustainable, higher-quality performance without the temptation to cut corners. And that's where employee ownership comes in.

"Giving people a stake in the business changes how employees think and feel. It builds identity, fosters responsibility, and lowers resentment.

"Dr Persaud put it simply: football fans sing their overpaid top striker's name but resent bankers' bonuses. Why? Because they identify with their team.

"Ownership creates that same dynamic at work and it matters now more than ever."



PISCES and implications for employee share plans

The Esop Centre particularly welcomes the PISCES initiative and its potential for creating a practical route for employee share plan participants and secondary investors to trade shares in private companies. HMRC's recent guidance provides helpful clarity on how the usual rules on Income Tax, NICs, and CGT apply when employees trade using the PISCES platform. It outlines the implications for tax-advantaged plans such as EMI, CSOP, SAYE and SIP. Importantly, the new guidance

supports flexibility in amending EMI and CSOP agreements to include PISCES trading events as exercisable moments, once legislation permits later this year.

The Centre encourages unlisted companies operating share plans – or considering new ones – to review this development and its relevance to liquidity, valuations and long-term incentive design. A briefing note on the [implications for employee share plans is available via this link](#).

Centre members' comments on PISCES:

PISCES: unlocking liquidity for private company employee share schemes

Lewis Silkin's insight into PISCES “will allow existing EMI and CSOP options to be amended so that employees can exercise them on a PISCES trading event without losing their tax-advantaged status”. There is still much uncertainty on how PISCES will work in practice for employee share schemes and employers will need to work through the legal, tax and practical issues. *“If successful, PISCES could reshape the private company*

ecosystem. Where it can improve liquidity, it may enhance employee incentivisation, attract new investors, and offer an alternative route to value realisation that does not depend on a traditional exit. But the road ahead requires careful navigation, particularly for those balancing employee expectations with broader commercial considerations and compliance, and for now this remains a watch and wait.”

FCA's final rules for PISCES: London's new private share trading market

White & Case published an alert on the [FCA's final rules for the Private Intermittent Securities and Capital Exchange System](#) (PISCES). It stated that “White & Case provided legal support to the joint response to the FCA's consultation by the members of: (i) UK Finance, the collective voice for the banking and finance industry; and (ii) AFME, the voice of Europe's wholesale financial markets.”

The alert outlined the key regulatory and structural features of PISCES including “private-plus” market; periodic secondary share trading; intermittent trading windows; regulatory “sandbox”; investor eligibility; tax advantages; disclosure

regime and PISCES operators. The firm suggested next steps as: “Prospective PISCES operators wishing to run a PISCES platform may now apply to the FCA and once approved will be able to run intermittent trading events in the “sandbox”. Pre-application and application support is available from the FCA. The FCA's expectation is that trading on PISCES platforms will likely occur before the end of 2025. The FCA will further consult on operator annual periodic fees in November 2025. The FCA and UK government will use any lessons from the “sandbox” period to improve the regime before making it permanent.”



Salary sacrifice into pensions: what's not to like?

Abbyss Cadres provides a guide to pension salary sacrifice, as well as outlining design considerations such as calculating gross versus notional salary, **alternative pension plan provision and corporation tax implications.**

Netherlands: Linking bonuses to environmental targets - Can employers use their discretion?

According to **Baker McKenzie Netherlands** in *Lexology* this month, “as companies increasingly integrate Environmental, Social, and Governance criteria into their remuneration policies, the practice of linking executive bonuses to environmental targets is gaining traction. However, setting and assessing the targets remains challenging, raising questions about the **extent of employers' discretion in adjusting bonus payouts.**”



Gen Zs & millennials: balance at work

A recent **Deloitte** survey provides insight into the motivations of the Gen Z and millennial workforce, a demographic predicted to make up 75 percent of employees in the next few years. In general, mental health, meaningful impact and work/life balance are priorities, with Gen Z and millennials seeking to thrive through opportunities both at work and elsewhere. Deloitte argues that “investments in financial security, meaning and well-being may be key to **attracting, engaging, and retaining a strong Gen Z and millennial workforce**”.

EOT uses and abuses

In a summary reprise of his Centre symposium presentation, **Doyle Clayton's** Akshay Vaghela outlines the **key positive and negative points of EOTs.** EOTs can provide a flexible business succession planning tool and tax efficient exit strategy, preserving company culture and ensuring long term continuity. EOTs can encourage engagement through wealth distribution and incentivised staff. However, EOTs can go wrong if the business is overvalued, the trustees provide poor governance, there is miscommunication with employees or tax-free bonus payments are manipulated.



Empaths at the gate

KKR is collaborating with psychological experts to assess leadership potential. The results highlight an interest in qualities beyond technical skills - specifically, the ability to understand and relate to others.

This approach aligns with KKR's broader efforts around employee ownership. When employees hold equity in a company, the dynamics between leadership and staff can shift, making communication, trust and engagement more relevant. Leaders who can connect with employees on a human level are likely to be positioned to support this model.

KKR's strategy suggests that effective management in ownership-driven structures requires a skill set that includes empathy and interpersonal awareness as well as operational ability. A [Bloomberg article](#) "Empaths at the Gate" contributes to a wider conversation about the evolving expectations of leadership in modern organisations and may also presage a wider involvement of private equity in employee share ownership.



Employment tax update

Macfarlanes' latest [tax update on content relevant to employment taxes and reward activities](#) covers the return deadline for employment related securities; the postponement of mandatory payrolling of benefits in kind; Check Employment Status for Tax digital tool (CEST) revisions; employer's national insurance contributions elections process; simple assessment and self-assessment criteria review.

Lori Chavez-DeRemer's keynote: a bold new era for Esop advocacy at the Department of Labor

According to a report from **Menke & Associates** the keynote address by newly confirmed US Secretary of Labor Lori Chavez-DeRemer signalled stronger support for Esops and promises of a new approach. Chavez-DeRemer stated intentions to "scale back harmful regulations, slash bureaucratic red tape, and protect the integrity of wealth-building tools" such as Esops. Menke & Associates said that "aggressive investigations, slow rulemaking, and adversarial litigation" in the USA has "created an environment that deterred business owners from pursuing employee ownership transitions" but the secretary's speech has shown a recognition of Esops as "[a powerful tool for economic equality and business resilience](#)".



Launch: 30th annual survey

MM&K has invited all private equity and venture capital firms to participate in its comprehensive compensation benchmarking initiative to understand how compensation trends are evolving. Survey findings from 2024 revealed that base salary increases for investment professionals ranged from zero percent to 12 percent with non-investment professionals and support teams receiving three percent to 15 percent. Additional findings showed that 90 percent of respondents reported a carried interest plan as a **long-term incentive structure to attract and retain top talent**.

Irish companies need to comply with new EU gender balance regulations by 2026

Writing for *Lexology*, **Ogier** warns that the European Union (Gender Balance on Boards of Certain Companies) Regulations 2025 have now been implemented into Irish law.

These regulations impose strict new gender balance requirements for boards of listed companies, in line with Directive (EU) 2022/238. This means that affected employers will be legally required to review and, if necessary, change their board composition, recruitment practices and procedures in order to comply.

Failure to meet these new obligations could result in regulatory penalties and

public disclosure of non-compliance. Irish listed companies should begin preparing now to ensure compliance by June 30 2026. At that point formal gender representation targets must be achieved and regular reporting requirements will come into effect. Timely action is essential to **minimise legal risk and reputational impact**.

Reflections on the OWN Health annual member meeting

In an **NCEO** blog Michelle Cronin looks at how healthcare benefits have been reimaged through collaboration in OWN health, a health insurance group captive **programme available only to Esop company membership**. In the USA healthcare is a company's second-largest employee expense. Employees of an Esop company understand the impact on company performance of collective preventive health measures and long-term wellness investments. This better company risk profile allows the negotiation of additional benefits. As a result, Esop members of OWN Health "are spending less in their self-insured claims, appreciating renewals that outperform the traditional market and receiving profit distributions for great claims performance."

"When workers are also owners, preventive health measures and long-term wellness investments carry different weights in decision-making".



Australian government signals employment law reforms in second term

Pinsent Masons highlights the employment law reforms intended by the Australian Labor Party, which has returned to government with an increased majority. Labor has promised to continue building on several major reforms enacted in its first term, which included outlawing pay secrecy and promoting job security and gender equality. Parliament will reconvene in July with expected legislation changes to include banning non-compete clauses for low and middle-income workers, protecting penalty rates, work-life balance and workplace flexibility and **worker-focused industrial relations legislation**.

Congratulations

Fairway's Sarah-Louise Mason shortlisted for **Citywealth's Future Leaders Awards 2025**

Fieldfisher shortlisted for the **Chambers High Net Worth Awards 2025**

Rising stars at **Ogier** named in **privateclient's 2025 Crown Dependencies NextGen Leaders list**



UK NEWS

Financial services firms turning away from green finance?

The financial services industry is dumping green finance and diversity policies, **City A.M reported**. More than half of UK senior financial professionals believe their leadership will place less focus on environmental, social and governance policies in the coming years, according to business information system CRIF. Over half believe diversity, equality and inclusion commitments will become less of a focus in the near future.

WFH: Better rewards for office regulars

According to **City A.M**, staff who attend the **office regularly can expect bigger pay rises** promotions than colleagues who prefer to work from home. A survey from recruiter Reed found 68 percent of UK companies are more likely to compensate office regulars with career-progressing rewards, including better pay and quicker career progression. By contrast, around seven in 10 employees want to retain partial or full flexibility over their working arrangements and 25 percent declared their work cadence of choice would involve just two days a week in the office.



Number of employee-owned businesses in Wales nears 100

The number of employee-owned businesses in Wales now stands at 95, far above the Programme for Government commitment to double the number in Wales to reach 74 by 2026.

The Business Wales and Social Business Wales service offers specialist advice to support employee buy-outs, with fully funded and bespoke help available to help business owners.

One company to receive such support is Cambrian Training Group – a leading provider of apprenticeship and vocational training in Wales. The Welshpool company, which marked 30 years of business by becoming employee owned earlier this year, was established in 1995 as a subsidiary of Mid Wales Tourism to help the development of tourism and hospitality.

According to Rebecca Evans, cabinet secretary for economy, energy and planning, “By improving employee well-being and job satisfaction, the employee-ownership model plays a key part in strengthening the foundations on which every successful business is built.

“Its proven benefits include giving employees more control over their own destiny, and providing business owners with the peace of mind that the future of their business is in safe hands, and that the future of their highly valued employees has been safeguarded in the community the business was fostered in.

“I urge more businesses to explore the benefits on offer to **ensure Wales-based companies remain in Welsh hands.**”



LIBRARY OF WEBINAR BROADCASTS:

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 *newspad* Review VII; Esop Sofa: Hot Topics In Employee Share Ownership – *newspad* 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 – *newspad* 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 – *newspad* 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 - *newspad* Review ; Beyond Brexit: EU-UK Social Security Contribution Rules; Esop Sofa: Hot Topics – *newspad* 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>



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ABOUT NEWSBRIEF

Newsbrief is the Employee Share Ownership Centre's members-only mid-month publication.

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