



Reserve your place

Jersey share plans and trustees conference – May 22

The Centre is set to return to the Pomme d'Or in Jersey for **its employee share plans and trustees conference** on Friday May 22.

In the keynote speech **Tony Moretta**, ceo of **Digital Jersey**, will focus on digital technology, including AI & fintech in Jersey.

The programme of talks will include legal and regulatory updates, recent developments in employee share schemes, and a panel debate on the progress of PISCES (Private Intermittent Securities and Capital Exchange System) including extension to the timeline.

The programme provides technical information, designed to be acceptable as counting towards delegates' Continuing Professional Development or Continuing Competence.

Presentations will run from 09:00 to 13:15, followed by a networking lunch. The seminar is being held in conjunction with the Society of Trust and Estate Practitioners in Jersey.

Tickets: Book early to secure discounted ticket prices:

Esop Centre/STEP members: **£380**/each

(if booked before May 1. £450 thereafter)

Non-members: **£485**/each

(if booked before May 1. £548 thereafter)

Multi-booking discount: 50% off cost of ticket for your **third+ delegate**

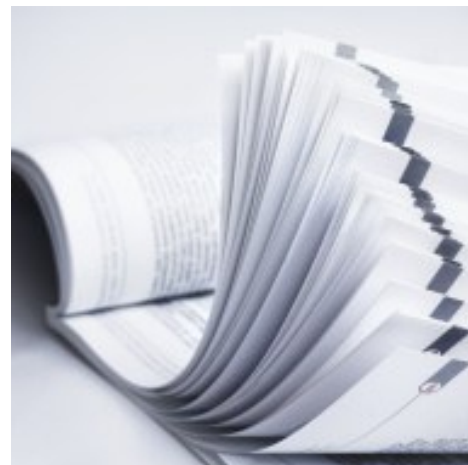
To reserve your place, email us at events@esopcentre.com



CENTRE AND MEMBERS NEWS

State of Ownership report

The latest **Investment Trust State of Ownership** report from Warhorse Partners in partnership with **Equiniti** highlights clear shifts in who owns UK investment trusts. Retail investors now account for 37 percent of the market by value, institutional investors remain significant at 27 percent, with their overall holdings rising in value despite a decline in share volumes — reflecting a move toward alternatives and specialist strategies. Wealth managers hold just 28 percent, their share volumes having fallen year-on-year. Together, these trends show an evolving investor base and provide investment trust boards and managers with the context for assessing future demand.



Cytec acquires Howells

On March 11 equity management software provider Cytec Solutions **announced the acquisition of Centre member Howells Associates** a UK provider of employee share plan administration and insider list management solutions. The acquisition brings together two complementary businesses. Cytec executive chairman Nick Chinn said “Cytec and Howells have built extensive, specialist knowledge and experience in our areas of expertise over several decades. By bringing our teams together, we increase our capabilities and depth, and we cement our position in the corporate governance and equity management technology markets, and in providing high touch share plan administration services. This is a really exciting development for our teams and, I hope, for our clients.” Howells ceo Alex Walsh said “This is a proud moment, not just for Howells, but for the exceptional people who helped turn this business into an award-winning service provider, with a clear identity, and genuine purpose. Joining forces with Cytec Solutions accelerates that journey. Combining our deep expertise in share plan management with the scale and corporate governance network to do even more for our clients, our people and the broader market.”

Get ready for April's changes

Emma O'Connor of **Doyle Clayton** tracks employment Law changes coming into force in April, in a **video offering insight** on what they mean for companies. She highlights the key developments and explains their impact; her video is aimed at HR, recruitment managers and business owners.





When politics meets merger control

Merger control is increasingly shaped not just by competition law but by political and strategic considerations, fundamentally changing how deals are assessed and executed. Experts from **Baker McKenzie** highlight that regulators in many major jurisdictions are now factoring in industrial policy goals—such as innovation, economic resilience, job creation and sustainability— alongside traditional competition concerns, making the approval process more complex and less predictable. In Europe, discussions on reforming merger guidelines reflect a growing willingness to balance consumer welfare against geopolitical priorities, while in the US, stricter disclosure requirements under frameworks like the Hart-Scott-Rodino Act signal heightened scrutiny of acquisitions, particularly those affecting innovation or involving private equity. This evolving landscape means dealmakers must simultaneously navigate merger control, foreign direct investment screening and foreign subsidy rules, ensuring a coherent narrative that aligns with regulatory expectations. Although political factors rarely overturn decisions outright, they can heavily influence borderline cases, timelines and the scope of required remedies. As a result, companies are increasingly engaging regulators earlier, preparing for longer review periods and considering structural remedies such as divestitures. Overall, the shift introduces greater uncertainty into M&A transactions, making early planning, cross-jurisdictional coordination and alignment with broader policy objectives essential for securing deal approval.

Sainsbury's

Sainsbury's workers gain £25m windfall from matured sharesave

More than 9,000 Sainsbury's employees, primarily store and depot staff, are benefiting from its 2022 Sharesave plan which matured on March 1. They can buy shares at a discounted price of £1.67 each and realise a collective profit of approximately £25m based on the current share price. Participants saved directly from their pay over the scheme's term, with options to hold shares long-term or sell for profit, often using gains to fund major life events like weddings or home purchases. Sainsbury's, which partnered with **Wealth at Work** for its education sessions, highlights the initiative as a key part of supporting staff financial wellbeing and connecting them to the company's success. Sainsbury's expressed pride in the outcome and encouraged broader future participation.



Designing employee share plans for falling markets

According to Nigel Watson of **Burges Salmon**, “we spend far too much time designing share plans for lift-off and far too little time designing them for turbulence.”

The market’s turbulent response to world events reminds everyone that valuations do not move in straight lines. “But employee share plans are almost always built as if they do.” He explains “When markets rise for long enough, everyone starts to assume the current level is normal, durable and deserved. Boards stop interrogating grant assumptions. Executives stop worrying about downside. Vesting schedules look sensible in an up-cycle and deeply arbitrary in a drawdown.

“Then the market turns and the weaknesses in the plan become painfully visible. Employees cannot hedge their employer exposure. They cannot short the business. They cannot buy downside protection around their own award. Their long position is concentrated, illiquid (in the case of private markets) and usually linked to their employment as well as their wealth. When markets fall, that is when “alignment” stops being a slogan and starts becoming a live design question.”

Nigel suggests that to create downside resilience in a share plan you should:

- ⇒ Diagnose before you reset
- ⇒ Reset intelligently where the economics are genuinely broken
- ⇒ Build ranges, not cliffs
- ⇒ Bank, earned value, rather than forcing everything through a single valuation date
- ⇒ Use liquidity and synthetic tools carefully

He claims that “The real test of a share plan is not how impressive it looks in a bull market. It is whether it still **feels fair, stretching and worth believing in, when markets fall.**”



Employment tax update

In its February Agent Update bulletin **Macfarlanes** covers issues most **relevant to employment taxes and reward activities**, including: UK-India Double Contributions Convention; deferred remuneration – income tax guidance for internationally mobile employees; payrolling benefits in kind; and Taxed Award Scheme.



Government guidance on equality actions plans

Employers can publish their **equality action plans voluntarily from April 2026** before it becomes compulsory from 2027. One of the new requirements under the Employment Rights Act 2025, aims to encourage employers to improve gender equality at work, focusing on the gender pay gap and supporting employees with menopause symptoms.

According to **Lewis Silkin**, the key change is that employers will no longer only publish data on the gender pay gap – they will also need to explain what actions they are taking to reduce the gap. The government has now published basic guidance for employers on what an action plan should cover and lists of actions that employers could take. The government will publish additional guidance in April 2026.

In a *Lexology* article on the same topic, **Deloitte** asks whether the UK government “introduces pay transparency through soft regulation.” The published guidance could fundamentally change how employers think about pay. From April 2026, employers with 250 or more employees will have the option to produce and publish a voluntary action plan alongside their gender pay gap data, with these plans becoming mandatory from spring 2027, subject to secondary legislation.

The purpose of action plans is to support employers in taking effective action to improve gender equality in the workplace, which on the face of it, looks like a sensible, if long overdue, extension of the reporting regime that has been in place since 2017. But a closer look at what the government is recommending employers to include in their action plans reveals **a more significant shift**.

SEC extends section 16 reporting to foreign issuers with key exemptions

The US Securities and Exchange Commission has introduced significant changes to insider reporting rules, extending Section 16(a) obligations to Foreign Private Issuers for the first time under the Holding Foreign Insiders Accountable Act, which became effective March 18. This means directors and officers of non-US companies listed in the US may now be required to disclose beneficial ownership and transactions through filings such as Forms 3, 4 and 5.

However, shortly before implementation, the SEC issued relief for FPIs incorporated in certain jurisdictions—including the UK, EEA, Canada, Switzerland, Chile and South Korea—provided they complied with equivalent local regulations and make disclosures available in English. This carve-out reflects an effort to avoid double reporting where robust regulatory frameworks already exist. For companies not covered by the exemption, the new rules introduce additional compliance burdens, requiring timely and accurate filings via systems like EDGAR. As a result, organisations must quickly assess their eligibility for relief and, where necessary, implement systems and processes to meet the new requirements. Firms such as **Computershare** are positioning solutions to support compliance, offering tools that streamline filings, automate updates and reduce operational risk in **navigating the new landscape**.



Accell Group ownership transition: lenders take control after industry downturn

KKR has announced a major change of ownership at Accell Group. Control has passed to its lenders following a prolonged downturn in the European bike market. KKR originally invested in Accell in 2022, betting on long-term growth in sustainable mobility and rising e-bike adoption across Europe. However, shortly after the acquisition, the industry faced a sharp and sustained decline driven by excess inventory, heavy discounting and weakening consumer demand. Despite KKR's efforts, the severity of market conditions led to a restructuring of the company's capital base, with lenders assuming control.

Under the new agreement, Accell will receive fresh funding aimed at stabilising liquidity, supporting daily operations and preparing for future growth as market conditions begin to recover. The transition effectively shifts ownership from private equity to creditors, a common outcome when companies face sustained financial strain. Accell's ceo, Jonas Nilsson, emphasised that the **business has emerged stronger and is well-positioned for recovery**. It is confident in its brand portfolio and long-term prospects despite recent challenges.

Broad support in US for employee ownership

A new poll from *Expanding ESOPs* shows that a large majority of Americans **support the idea of employee ownership**, while very few oppose it, reports Corey Rosen. Support is slightly higher among Democrats than Republicans. Working with the Bipartisan Policy Coalition, Expanding ESOPs hired Public Opinion Strategies and Impact Research to poll 1,000 registered voters.

Some 81 percent of respondents said that they had heard very little or nothing about employee ownership, and only three percent said they had heard a lot. When asked if they would be more likely to support elected officials who favour expanding the use of broad-based employee ownership, 68 percent said they would be more likely, 20 percent said it would not matter, and 12 percent said it would make them less likely. Ninety percent of Democrats and 75 percent of Republicans said the government should incentivise companies to offer broad-based employee ownership.

The results are similar to those of a 2016 poll conducted for the Employee-Owned S Corporations of America.





SThree expands employee share trust

Shortlisted in the 2023 *newspad* all-employee share plan awards, SThree plc disclosed that its Employees' Share Ownership Plan Trust has acquired 857,933 ordinary shares on the London Stock Exchange between March 6 and 16, at a total cost of about £1.49m. The discretionary trust will hold these shares to satisfy awards under the group's employee share schemes, increasing the EBT's stake to 1,044,555 shares, or 0.82 percent of issued share capital. The move underscores SThree's continued use of equity-based compensation to support recruitment and retention in its STEM consultancy business and may be seen by investors as a sign of confidence in the company's long-term prospects. By enlarging the pool of shares available for employee plans, the group makes it easier to reward performance while **modestly concentrating ownership among employees and associated trusts.**



Bank of England holds interest rates despite Iran conflict

The Bank of England's Monetary Policy Committee unanimously decided to maintain the base interest rate at 3.75 percent on March 19 2026, halting the series of cuts made in 2025. This cautious "pause" came amid growing concerns over the ongoing war in Iran (sparked by US and Israeli strikes starting late February), which has driven sharp increases in global oil, gas, and commodity prices.

The MPC highlighted this as a major "shock to the economy," warning that it will push UK CPI inflation higher in the near term—despite prior signs of disinflation in domestic wages and prices—and disrupt energy and utility costs for households and businesses. The committee emphasised close monitoring of the Middle East and stood ready to adjust policy to keep inflation on track toward the two percent medium-term target. It made the point that monetary policy cannot directly control global energy prices but must prevent persistent second-round inflationary effects.

City economists and analysts still expect two to three rate cuts later in 2026, bringing base rate to around three percent by year-end, but only if the conflict is resolved soon and energy prices fall back. The decision has delayed hopes of cheaper borrowing, keeping mortgage rates high (with some lenders raising them recently), while offering slightly better returns for savers amid "ISA season."

Political reactions were critical, with opposition figures blaming the government's economic policies for leaving the UK vulnerable to external shocks like "Trump-flation." Overall, the BoE adopted a wait and see stance, buying time to assess whether the imported inflation pressures prove temporary. The next MPC meeting is **scheduled near the end of April.**





More needs to be done for pension savers: Standard Life boss

The chief executive of Standard Life, Andy Briggs, has cautioned that “more needs to be done” to help UK workers save enough for retirement following the changes to salary sacrifice schemes introduced by Rachel Reeves. The reforms, announced in the latest Budget, will cap salary sacrifice at £2,000 per employee per year from April 2029, reducing incentives for pension contributions, which are a widely used method for lowering taxable income while boosting retirement savings. Briggs warned the policy could discourage saving. Only one in seven people in the UK is currently saving enough for a comfortable retirement, and stronger support at an individual level despite continued resilience in the workplace pensions market. He also weighed in on broader pension reforms, backing the industry-led Mansion House Accord—which aims to channel more pension investment into private markets and UK businesses—while criticising proposed government “mandation” powers in the Pensions Schemes Bill that could force funds to invest in specific assets, on the basis that savers should retain control over their own money. The comments come as Standard Life reported solid financial performance, with profits rising 15 percent to £945m and dividends increasing, while the firm continues debt reduction efforts and considers options including mergers and acquisitions, reinvestment for growth, or **increased shareholder returns**.



John Lewis awards first staff bonus in four years amid rising profits

The trust-owned John Lewis Partnership has reinstated its annual bonus for the first time since 2022, distributing £35 million to its approximately 69,000 partners — equivalent to two percent of salary or roughly one extra week's pay — following a five percent rise in sales to £13.4 billion and a six percent increase in underlying profits (before tax, bonus and exceptional items) to £134m for the year to January 31. Despite a reported pre-tax loss of £21m after one-off costs like technology write-downs, and challenges including higher national insurance contributions and packaging levies, the group — which operates John Lewis department stores and Waitrose supermarkets — credited disciplined financial management, strong

customer satisfaction, and progress in its turnaround plan which involves store closures, job reductions, and investments in refurbishments and brands like Topshop integrations. Growth at Waitrose was particularly robust with a seven percent sales increase to £8.5bn and operating profit up nearly 13 percent to £256m. John Lewis sales rose three percent to £4.9bn with profit up 29 percent to £58m. Chair Jason Tarry described the market as subdued but affirmed investment in retail and financial services, with a cautious outlook ahead despite protection against energy and currency risks. This marks a shift after several years without bonuses **during post-pandemic recovery and restructuring**.



Canada

Employee ownership trusts: Keeping wealth local in Canada

Canada is facing a major wave of business succession, with around three-quarters of small and medium-sized business owners—representing over \$2trn (≈£1.6trn)—planning to exit within the next decade, according to the Canadian Federation of Independent Business, raising the critical question of who will ultimately benefit from ownership. Traditionally, many founders sold to private equity or foreign buyers, often shifting control and long-term decision-making outside Canada, but increasing attention is now turning to Employee Ownership Trusts, a model pioneered in the United Kingdom in 2014 and adapted for Canada in 2024. It allows owners to sell a controlling stake to an employee trust, financed over time through company profits so workers gain ownership without personal financial risk.

Early adopters such as Grantbook and Taproot suggest the model can preserve company culture, retain local control and create meaningful wealth for employees. Research from Harvard Business School indicates that employee-owned firms often show higher productivity, better retention and greater resilience during downturns. However, policy uncertainty remains a key barrier, as a temporary \$10m (≈£7.9m) capital gains tax exemption introduced by the Canadian government is set to expire in 2026.

Advocates argue that making such incentives permanent—as in the UK and the US with Esops—is crucial for scaling employee ownership; as economic nationalism and global uncertainty rise, EOTs are increasingly viewed as a strategic tool not just for succession, but for keeping wealth, control and long-term **benefits within Canadian communities.**

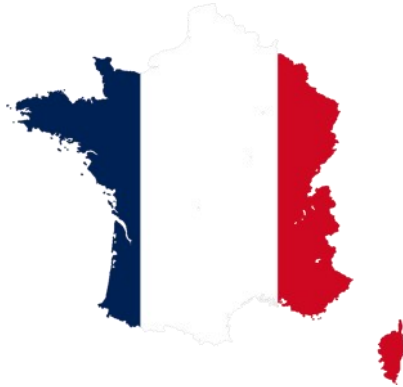




France

Legrand expands employee ownership with new global share plan

French industrial group Legrand has announced the launch of its second international employee share ownership plan, reinforcing a broader trend toward equity-based incentives. The scheme runs from March 13 to 31 and gives eligible employees in many countries—including France and China—the opportunity to buy company shares at a discounted price of €118.20 (£100.50), representing a 20 percent reduction from market value. The plan will primarily operate through an employee shareholding fund (FCPE), a common structure in France, although in some jurisdictions employees may subscribe directly, and shares acquired under the scheme will be subject to a five-year lock-up period encouraging long-term alignment between employees and company performance. This initiative reflects Legrand’s strategy of combining growth with employee engagement by allowing staff to participate directly in value creation, with reported revenues of €9.5bn (£8.08bn) in 2025 and a position within major indices such as the CAC 40, as the company leverages its scale to expand ownership participation globally, while more broadly the move highlights a growing international shift toward employee share ownership as a tool for retention, motivation and alignment—contrasting with ongoing debates around executive pay by distributing equity **more widely across the workforce**.



South Korea

Pension fund challenges Hyundai Mobis share plan

South Korea’s National Pension Service (NPS) has opposed a proposal by Hyundai Mobis to use treasury shares for employee compensation and an employee stock ownership plan, highlighting growing tensions between shareholder returns and broader stakeholder incentives. Hyundai Mobis planned to allocate up to 500,000 treasury shares—around 0.5 percent of its total—to employee-related schemes. However, the NPS argued this contradicted the original purpose of the share buyback, which was to enhance shareholder value.

Despite the objection, shareholders approved the proposal at the annual meeting. The NPS, which holds a significant 9.15 percent stake in the company, emphasised that its opposition aligns with stricter governance guidelines, particularly around protecting minority shareholders and ensuring companies adhere to stated capital allocation goals. The case reflects a broader governance debate: treasury shares can either be cancelled to boost shareholder value or redeployed to incentivise employees and align internal performance. As large institutional investors like the NPS adopt a more assertive stance, companies may face increasing scrutiny over **how they balance these competing priorities**.





Vietnam

Vietnam's private lender plans \$128m private share placement to institutional investors

Vietnam's private lender Saigon Hanoi Commercial Joint Stock Bank (SHB) is planning a private share placement of 200 million shares—about 4.35 percent of its outstanding shares—to institutional investors at VND16,850 (£0.48) per share, based on the average closing price over 10 trading sessions from November 27 to December 10 2025, aiming to raise approximately VND3.37trn (£96m).

The proceeds will fund working capital loans, fixed-asset financing, production and business lending, and project financing, with about VND1.69trn (£48m) allocated specifically to working capital and fixed

assets. This placement forms part of SHB's broader capital increase plan—approved by the State Bank of Vietnam last December—to raise its charter capital to a maximum of VND53.44trn (£1.53bn) through a rights issue, private placement, and an employee stock ownership plan, positioning SHB as Vietnam's fourth-largest private lender by charter capital upon completion in Q1 2026; the bank reported strong 2025 performance with pre-tax profit of VND15.03trn (£431m), up 30 percent year-on-year, and total assets nearing VND892.6trn (£25.6bn), up 19 percent. SHB shares closed **up 1.36 percent at VND14,950 (£0.43) on March 12.**

USA

US regulator shifts Esop strategy toward growth and fewer lawsuits

The US Department of Labor is reshaping its approach to employee stock ownership plans, signalling a move away from aggressive enforcement toward promotion, education and financial support. Through its benefits arm, the Employee Benefits Security Administration (EBSA), the government is prioritising grants and outreach to expand employee ownership, backed by \$2m in initial funding and a broader \$50m programme authorised under the WORK Act within the SECURE 2.0 Act. With over 6,400 Esop companies in the US holding more than \$2trn (approx. £1.58trn) in assets, policymakers see employee ownership as a way to give workers a stronger stake in business performance.

At the same time, EBSA has scaled back its enforcement posture, removing Esops from national investigation priorities and indicating fewer government-led lawsuits, though scrutiny of poor-quality transactions will remain. The agency is also preparing new valuation rules to clarify how Esop shares should be priced, a key source of past litigation. Industry figures suggest this rebalancing—combining lighter enforcement, clearer regulation and increased funding—could accelerate Esop adoption, though some warn private lawsuits may rise to fill any enforcement gap left by regulators. Overall, the shift reflects a strategic pivot: from policing Esops to fostering them, with a long-term impact on corporate ownership structures, worker participation and the **legal landscape likely to unfold gradually.**



LIBRARY OF WEBINAR BROADCASTS:

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 *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

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