



Centre urges government to commit to participation in the OECD PISA Financial Literacy study

The Employee Share Ownership Centre has written to both [HM Treasury](#) and the [Department for Education](#) urging the government to commit to participation in the OECD PISA Financial Literacy study.

Financial literacy is not just an educational issue, it underpins economic participation, long-term saving, investment and effective engagement with employee share ownership. Considerable effort goes into promoting share plans, but these can be undermined if people lack the basic financial understanding needed to engage with them confidently.

The UK has taken positive steps on financial education, but there remains both a significant post-16 and a lack of robust international benchmarking. Participation in PISA Financial Literacy would provide an important framework for measuring outcomes and identifying areas for improvement. Thanking everyone who added their voice, Centre chairman Robert Pay added “with France's recent signing-on to this initiative we are hopeful that the UK will follow suit...*What gets measured gets managed.*”

Further insights:

FS Club webinar, February 5 2026: [Financial Fluency For The Next Generation: Insights From PISA](#)

City AM article by Z/Yen Group chairman Professor Michael Mainelli, January 6 2026: [From Avoidance To Evidence: Britain Should Take The \(OECD PISA\) Financial Literacy Test](#)

Esop Sofa: transatlantic perspectives on employee share ownership

Many thanks to John Hoffmire, a leading global expert on employee ownership, for sharing his views on the origins of the employee share ownership tradition in the US, what the UK can learn from US cultural and structural approach, the role of capital markets, how participatory capitalism seeks to alleviate poverty, and the growing role of employee ownership in debates around productivity, inequality and long-term growth.

John was in conversation with David Craddock, a long-standing authority on UK share plans, for an *Esop Sofa* webinar on May 14. If you missed it, or wish to listen again, [the recording is now available](#).



CENTRE AND MEMBERS NEWS

Pensions

UK pensions and the 401(k):

why similar structures create different incentives

Nigel Watson of **Burges Salmon** compares UK defined contribution pensions to US 401(k)s. The two schemes share much of the same machinery. Both are built around individual accounts, payroll deduction, tax-advantaged saving and long-term investment – but, they do not always do the same work in reward.

“A reward mechanism does not only need economic value. It also needs visibility.

“A UK employee can receive an employer pension contribution every month and barely register it. The money is real, but it is cognitively off to the side.

By contrast, where a 401(k) is built around a match, the employee, who increases deferrals to capture the full employer contribution, is more likely to experience the plan as a live bargain.

“That does not prove one system is better overall. It does, however, highlight the reward question: how tightly does **employer-funded value connect to employee action in a way that is easy to understand?**”

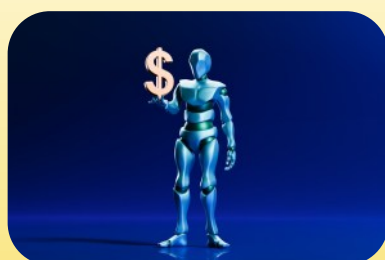
The excepted group life trust: the pension trust that is rarely run properly

The excepted group life arrangement is typically an excepted group life policy held under a discretionary trust. According to Nigel, “it’s the trust most employers already have and the one they most need to work when everything else is going wrong.

“Most employers know exactly what they pay for death-in-service cover. Far fewer know who the trustees are, when they last met or where the expression-of-wish forms are kept. That matters, because if you can’t name your trustees, you don’t really have a benefit. What you have **instead is an unmanaged liability**.

Insurers do not pay “HR”; they pay the trustees. It is the trustees who receive the proceeds and who decide how they are distributed. Trusteeship is not an assumption or a formality; it is a legal role that requires real people, valid appointments and accessible records.

“If that chain of authority is not alive and functioning, the benefit you believe you have may not be the one your people can rely on when they most need it.”



AI in the pensions industry

In *Lexology*, Burges Salmon highlights that the Pensions Regulator has issued its most substantive remarks so far on the topic of Artificial intelligence in the pensions industry.

“This captures the rapid shift we have seen across the industry - with the topic now being high **on the agenda for most pension schemes and trustee boards.**”



Frontline UK employment law update edition 44 2026 - case updates **Bird & Bird** summarises recent employment law cases:

1. Kankanalapalli v Loesche Energy Systems Ltd [2026] EAT 49
2. Darlington v London Borough of Islington [2026] EAT 11
3. Omooba v Michael Garrett Associates Ltd (t/a Global Artists) [2026] EWCA Civ 253

Hungary may miss transposing EU Pay Transparency Directive deadline

Despite decades of legislation and policy efforts, a persistent gender pay gap continues to affect employees throughout the EU. Recognising that existing enforcement mechanisms have proven insufficient, the European Parliament and the Council of the European Union adopted Directive (EU) 2023/970 on May 10 to strengthen the application of the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms.

This landmark legislation shifts the burden from individual employees seeking redress to employers, who must now actively demonstrate transparent and fair pay practices.

EU member states must transpose the provisions of the Directive into their national law by June 7. Hungary had begun working on the transposition of the Directive, but the proposed national regulation is not available and it remains unclear whether the June 7 transposition deadline will be met.

In a *Lexology* article **CMS** outlines the impact of the Directive and recommends steps for employers regarding data and reporting requests if Hungary fails to transpose the Directive by the deadline.

How will the Employment Rights Act 2025 impact M&A?

The Employment Rights Act 2025 is transforming employment law in the UK. In an article for *Lexology*, **Lewis Silkin** considers the changes relevant to mergers and acquisitions, exploring the knock-on implications for both sellers and buyers, focusing on due diligence, the acquisition agreement and post-completion integration.



Bullish to acquire Equiniti from Siris in \$4.2bn transaction

Bullish, the Cayman Islands based institutional-grade digital asset platform, announced on May 5 that it has entered into a **definitive agreement to acquire Equiniti**, for US\$4.2bn.

The combination creates a global transfer agent for tokenised securities and aims to position Bullish to lead the shift towards a capital markets infrastructure which is blockchain-native.

The acquisition brings together Bullish's blockchain-native offering: token design, issuance, operation and compliance; distribution through regulated markets globally; liquidity provisioning; and visibility through CoinDesk's media, data, and research. Equiniti brings what every listed company in most major markets is required to have: a regulated transfer agent. As the system of record for nearly 3,000 blue-chip public companies, Equiniti processes approximately \$500bn in annual payments and supports over 20 million verified shareholders. The combined platform, built to work alongside existing market infrastructure, supports the complete tokenised asset lifecycle.



Planning HR transformation

Organisations undertaking HR transformation programmes should address employment law risks at the earliest stages of planning, particularly ahead of reforms under the UK Employment Rights Act 2025 due to take effect in 2027, warns **Fieldfisher**. Many transformation projects are driven by objectives such as digitisation, flatter structures and cost efficiency, but legal scrutiny focuses on the practical impact on employees rather than the language used to describe change. Fieldfisher highlights growing risks with role misclassification, especially where job responsibilities evolve gradually through restructuring or technology adoption.

Tribunals are likely to examine whether a role genuinely continued in substance or whether changes effectively amounted to dismissal and re-engagement. The introduction of stricter protections against so-called “fire and rehire” practices is expected to increase the legal consequences of poor classification decisions. A common weakness in transformation programmes is the late involvement of legal advisers, after structural decisions have already been finalised. Employers should assess early whether redundancy protections, dismissal processes or consultation obligations may apply, and ensure governance, HR processes and communications are aligned from the outset. Proper planning can help organisations deliver change programmes that remain legally **robust and defensible if later challenged**.



IPO readiness

JP Morgan Workplace Solutions highlights the importance of clear employee communication and equity education as companies prepare for an IPO. Uncertainty about share awards and liquidity events can quickly damage trust and morale if left unmanaged. Its guidance says HR teams often become the first point of contact for employee concerns about stock options, restricted stock units and trading restrictions during the transition to public markets. Employers should establish a structured communication framework early, including clear explanations of equity award types, vesting schedules, taxation, lock-up periods and trading windows. Inconsistent messages can undermine confidence and fuel speculation, particularly in a fast-moving IPO environment. Communications should be tailored to different employee groups since early hires, newer recruits and international staff may each require different levels. Jackson Vaught, executive director of employee engagement at JP Morgan Workplace Solutions, said global companies should carefully coordinate communications across time zones and regions and support should continue beyond the IPO itself, as workers may still require guidance on brokerage accounts, tax documentation and future equity grants after listing. Well-managed equity communications can strengthen employee engagement by reinforcing the message that staff are owners **who share in the company's long-term success.**

Canada makes EOT tax incentive permanent

In 2024, Canada enacted legislation that exempts the first \$10m (Canadian) in gains from the sale of a business to a qualifying employee ownership trust. The exemption was set to be available only until the end of 2026. The government's proposed 2026 budget would have eliminated the incentive, but after a campaign by supporters of the new law, the **spring 2026 government budget update** will make it permanent. The original UK EOT was not designed to give employees ownership. But in the Canadian model, **companies can design their EOT to provide an equity stake.**

New book makes the case for employee ownership

Corey Rosen founder of **NCEO** recommends a new book: ***Beyond Your Ownership: How Employee Ownership Can Align Your Purpose, People, and Profit***, by Bob Whalen, the ceo of Esop-owned HB Global, and Jamie Dykstra. They draw on the company's remarkable history. Corey says "It is a very useful addition to the growing **library of books about Esop companies.**"





Three's a crowd: HMRC's approach to employee share plan arrangements in practice

In an article for its insights site last month, **Macfarlanes** examines the apparent rise in HMRC targeting of employee share plans under the so-called “disguised remuneration” rules in Part 7A of the Income Tax (Earnings and Pensions) Act 2003 (ITEPA).

Part 7A ITEPA is anti-avoidance legislation that was introduced in 2011 principally to target employee benefit trusts and similar arrangements which give employees or their families access to what is in reality employee remuneration in a way that avoids or defers liabilities to income tax and NICs.

In summary, Part 7A will apply (through the “main gateway”) where a “relevant third person” (someone other than the employee or employer) takes a “relevant step” (e.g. “earmarking” amounts, making a loan, transferring an asset, etc) that is in some way connected to a “relevant arrangement” (meaning that it wholly or partly relates to an employee or a person linked to the employee, or the employee or person linked to the employee is a party to the arrangement) which is concerned with the provision of rewards, recognition or loans in relation to the employee’s employment.

The rules are broadly drawn and it is important to bear them in mind whenever a third party is involved in an employee’s remuneration arrangements, even if their involvement appears tangential.

However, the rules were introduced for a purpose and they require that “all relevant circumstances are to be taken into account in order to get to the essence of the matter” (s.554A(1)). They should not, therefore, apply to employee share plan arrangements **where the involvement of a third party is not related to any tax avoidance motive.**



Image by KingsInnPhotography from Pixabay



Reminder: UK employee share plans: the online annual filing regime

A **Pinsent Masons'** Out-Law guide reminds companies that they must submit their year-end returns in relation to their UK employee share plans and share awards/acquisitions through the HM Revenue and Customs online administration service. The deadline for the online submission of year-end returns for any employee share plans and arrangements **for the 2025-26 tax year is July 6 2026**.

In order to use the service, companies must ensure that all their employee share plans and arrangements are first registered with HMRC via the 'Employment Related Securities' section of the Pay as You Earn (PAYE) online services portal. Following registration, companies must file their share plans annual returns online, and through the PAYE online services portal.



Safeguarding your talent

In *Partner Perspectives*, **White & Case** partners Nicholas Greenacre, Tal Marnin and Robin Melman discuss the challenges companies face as they work to protect and retain their talent, and develop and execute executive succession plans. Issues raised include the best ways to incentivise employees, the importance of airtight employment contracts and the volatility that can **result when formal succession planning is overlooked**.



Still celebrating!

Congratulations again to **the Magnum Ice Cream Company** for its high commendation in best all-employee share plan category in the 18th *newspad* all-employee share plan awards.

Having been unable to attend the award presentations at the Centre's symposium on March 26, the company's advisers Rosie Wall and Ben McCarthy of **Linklaters** accepted the commendation from Centre manager Juliet Wigzell earlier this month.





NIOX launches 2026 employee share save scheme with discounted options

Asthma medical device manufacturer NIOX Group has launched its 2026 Save As You Earn Scheme for eligible UK employees, granting options over ordinary shares at a 20 percent discounted exercise price of 45.02 pence. The three-year savings plan is intended to broaden employee share ownership and align staff interests with long-term performance.

In total, 99,042 options have been granted, representing about 0.02 percent of NIOX's issued share capital, with 40,426 options awarded to CEO Jonathan Emms. The modest scale of the scheme limits dilution for existing shareholders while signalling continued use of equity-based incentives **to retain key talent and support corporate growth objectives.**

IMF updated growth projections

According to *the Independent*, the International Monetary Fund is predicting that growth in the UK economy will be stronger this year than previously thought but the Iran war continues to dampen the outlook. The cost of living is set to rise and borrowing costs will be kept on hold.

The IMF updated its growth projections a month after warning of a sharp slowdown caused by the global energy shock. The influential financial body said it was now predicting UK gross domestic product (GDP) **to rise by one percent in 2026.**

Pensions UK reports on scaling pension fund investment

Pensions UK has published a report setting out what needs to happen in practice to enable pension schemes to invest more in UK growth assets and improve outcomes for savers.

'From commitment to deployment: Scaling pension fund investment in the UK economy', marks the next stage of Pensions UK's work programme, with a focus on how to mobilise pension capital at scale through investable structures, better coordination across public bodies and a regulatory environment that supports long-term value.

UK pension schemes already invest an estimated £1trn in the UK through gilts, equities, credit and alternatives. But further growth-focused investment that works for savers can only happen if the system can deliver more pension-grade opportunities, with **clear routes to market and appropriate risk-return prospects.**



NEWS



Canada

Permanent EOT rules expected to boost employee ownership in Canada

Elspeth Murray of Queen's University Smith School of Business says making EOT rules permanent will encourage business owners to reassess **succession planning and wealth distribution strategies**.



Japan

Ohashi Technica launches J-Esop to tie employee rewards to stock performance

Ohashi Technica has approved the introduction of a trust-based J-Esop scheme designed to strengthen the link between employee rewards, company performance and shareholder value. The Japanese automotive parts manufacturer said the programme would use treasury shares to provide equity-based incentives for employees at both Ohashi Technica and its subsidiary Ohashi Giken. Under the scheme, employees will receive points based on individual contributions, which can later be converted into company shares or cash equivalents once benefit conditions are met. The trust will be established through Mizuho Trust & Banking and funded by the company, with further details on funding size and launch timing still to be announced. Ohashi Technica said the move is intended to improve employee motivation, encourage a stronger ownership culture and align staff interests more closely with long-term corporate value creation. The initiative reflects a broader trend among Japanese companies towards performance-linked compensation and employee share ownership structures as part of **wider corporate governance reforms**.

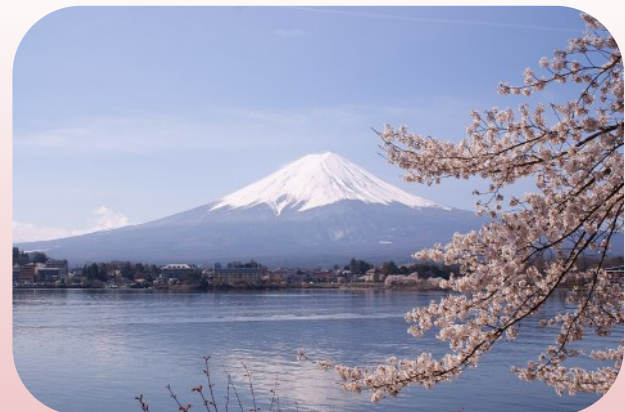


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South Africa

Bank makes all 2000 staff shareholders

GoTyme Bank, the Philippines-based digital lender, has opened share ownership to its entire 2,000-person workforce. It has started education sessions to walk staff through the scheme and its potential value. The bank has more than 21 million customers in South Africa and the Philippines. It is majority-owned by Patrice Motsepe's African Rainbow Capital Investments and runs a joint venture with the Philippines' Gokongwei Group, with additional backing from China's Tencent which is quoted in Hong Kong.

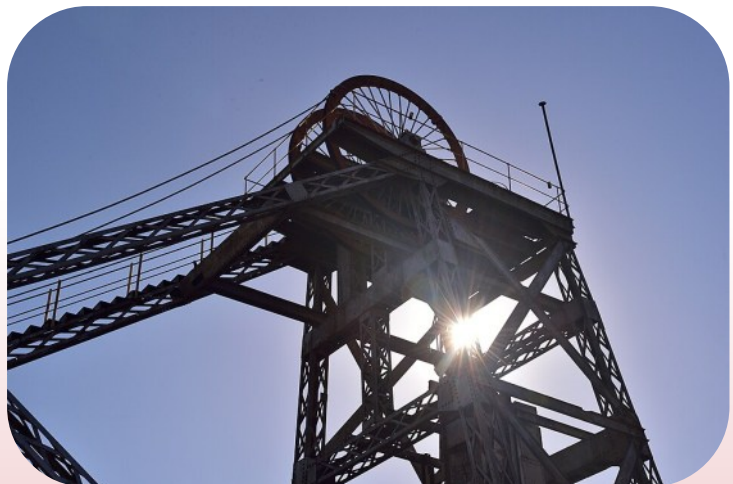
GoTyme, notable for being Africa's first profitable standalone digital bank, was valued at R26.7bn in 2024 after a fundraising round that included a US\$150m investment from Nubank, Latin America's most valuable financial company. The equity move comes as the bank builds toward a public listing.

The **employee ownership offer extends across all levels of the company** and all its operating markets — South Africa, the Philippines, and its newer Southeast Asian footholds in Vietnam and Indonesia. GoTyme is adding roughly 450,000 new clients per month, and ceo Cheslyn Jacobs has predicted the bank will post a record profit for the financial year ending June 2026.

Mining company share plan acquires 6,692 shares

Thungela Resources has announced that its **2021 Share Plan purchased 6,692 ordinary shares** to settle forfeitable share-based awards for employees.

The on-market acquisition occurred on May 12, at a volume-weighted average price of R136.21 (£5.68) per share. The transaction value totalled R911,517.32 (£38,010), with shares purchased at prices ranging from R134.64 (£5.61) to R142.00 (£5.92).





USA



Arm Holdings \$3.06 billion Esop shelf filing

Arm Holdings plc recently filed a **US\$3.06bn shelf registration for 13,821,271 ordinary shares** tied to its employee share ownership plan, following the release of fourth-quarter 2026 results showing revenue of US\$1,490m and net income of US\$313m, both higher than a year earlier.

According to *Simply Wall Street*, to own Arm today, you need to believe it can turn its CPU architecture and expanding AI data centre footprint into durable, high-margin royalty and licensing streams, even as it spends more on R&D and moves closer to full solutions. The latest US\$3.06bn Esop-related shelf registration and strong Q4 2026 results do not materially change the near term picture, where the key catalyst is AI data centre royalty growth and a leading risk is supply chain and execution around new AI CPUs. Among the recent announcements, the launch of the Arm AGI CPU for AI data centres looks most directly connected to this shifting thesis. With customer interest from firms like Meta and others, this product sits at the centre of the AI royalty story investors are watching, while also heightening the execution and spending risks if Arm's push "beyond IP" into fuller compute solutions fails to scale as intended.

EMPLOYEE OWNERSHIP NEWS

EOT round-up

- ◆ Commercial property agency **CBRE NI**
- ◆ Contractor **Quinn London**
- ◆ Skateboard retailer **Route One**



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>



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ABOUT NEWSBRIEF

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