



Reserve your place at Centre's share plans symposium

Esop Centre's **ninth Share Schemes Symposium**, will consist of two sections:

- ⇒ Background material: The speakers' presentations will be recorded during February and early March. They will be made available in advance.
- ⇒ Live session: face-to-face event to debate the presentation topics.

The live session will be in Baker McKenzie's central London offices from 13:15 on Thursday March 26 2026.

The keynote address will focus on the financial rationale behind **KKR's** substantial efforts to back employee share ownership, a trend being followed by others in private equity. This will be followed by four interactive discussions. The symposium will conclude with the presentation of the 18th *newspad* all-employee share plan awards and a celebratory reception.

The programme of 10 to 12 presentations by employee equity experts will include developments and issues in all-employee and international share plans; share plans in SMEs and private companies; employee ownership and benefit trusts; executive remuneration within the employee ownership context; and case studies of employee share plans in action.

Presentations include speakers from: Baker McKenzie, CMS, Computershare, David Craddock Consultancy Services, Equiniti, Fieldfisher, MM&K, Tapestry Compliance, and Wealth at Work.

The Symposium provides an opportunity for people with a professional interest in all forms of employee share ownership to learn about latest legal, regulatory, governance and tax issues affecting employee share plans and to exchange ideas.

Admission rates:

*Delegates from **plan issuer companies** will be admitted **free** of charge.*

Practitioners: Members: £450; Non-members: £800

Trustees: Members: £400; Non-members: £650

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

**All prices are subject to UK standard rate VAT*

There will be strictly limited opportunities to attend remotely for international members not able to travel to London.

To register a delegate, email : events@esopcentre.com

Thank you to our sponsors:

**Baker
McKenzie.**

The Centre's 2026 symposium is hosted by **Baker McKenzie** and the programme brochure is logo sponsored by **MM&K**.

Sponsorship opportunities are still available for one main event co-sponsor (alongside host Baker McKenzie); plus two further e-brochure logo sponsorships.

Please contact esop@esopcentre.com promptly for details.

mm&k

Brochure



AWARDS

newspad all-employee share plan awards: deadline approaches

The 18th *newspad* all-employee share plan awards are **open for submissions**.

The *newspad* awards recognise the achievements of companies which offer employee share plans and hold up best practice models for other companies to follow.

If your company or client made a notable contribution to employee share ownership, issued an inspirational share plan, or showed excellence in its communication and presentation; has been creative in using share plans to overcome significant changes or challenging situations, increasing participation or using technology; or if the chairman, ceo, or share plan team leader has upped the game with enthusiasm for employee share ownership, why not take this opportunity to tell the world about it?

Companies can either nominate themselves or advisers can make submissions on their behalf. Entrants can apply for awards in more than one category. **Submitting nominations** is free and simple. Required information is kept to a minimum. Clarity matters more than length. The deadline for nominations **is 17:00 on Wednesday December 17 2025**.

The awards present a great opportunity to celebrate your company or clients' achievements.

The award categories for 2025 are:

1. **Best all-employee share plan**
2. **Best share plan communications**
3. **Best use of technology, AI or behavioural science**
4. **Best share plan response to significant changes or challenging situations**

Category descriptions and rules of entry can be viewed on the [Awards webpage](#).

We look forward to your nominations





Thailand: Catalysing the innovation economy

Baker McKenzie reports that **Thailand is emerging as a destination for startup investment and growth**. In support of this momentum, the government has proposed a draft Startup Promotion Act. Key features include eligibility-based benefits for startups registered under the Bill and the designation of the National Innovation Agency (NIA) as the principal coordinator.

The Bill deals with several pain points which have hindered business operations for startups. It seeks to eliminate complex commercial workarounds, reduce administrative burdens and mitigate economic risks — paving the way for a more efficient entrepreneurial landscape.

Startups registered under the Bill will benefit from being exempted from many restrictions under general law, particularly the Civil and Commercial Code of Thailand. These include limitations on offering shares to the public, holding their own shares (through either share buybacks or allocation from capital increase), and converting preferred shares into ordinary shares). They will be eligible for financial support from the government, and receive assistance in scaling their businesses and connecting with others in the ecosystem.

Employers and artificial intelligence:

How to ensure the compliant use of AI in the workplace

In a piece for *Lexology*, **Bird & Bird** offers help for employers to ensure their use of AI in the workplace is compliant with the EU's Artificial Intelligence Act.

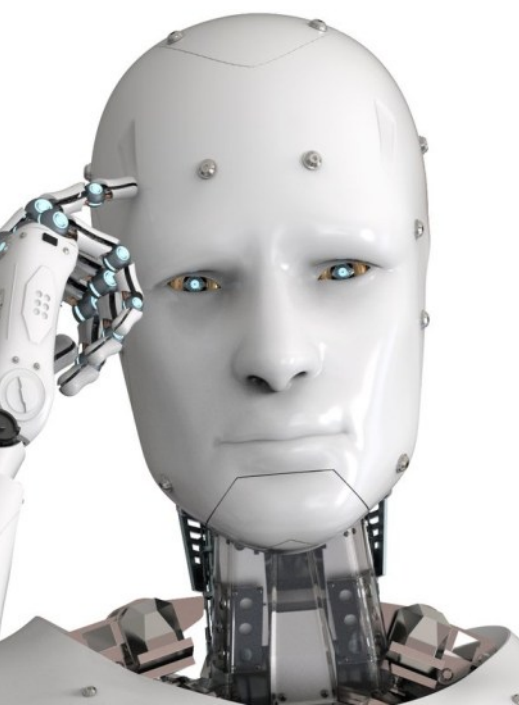
The first two sets of the EU's Artificial Intelligence Act's ('AI Act') provisions took effect this year: 1) provisions on forbidden AI practices; and 2) provisions on general-purpose AI models. Many companies may be surprised to find themselves within the scope of the Act, having initially assumed it only applies to providers and distributors of AI products. In fact, it is the role of the employer which brings most companies under the Act's remit and imposes obligations on them.

Some obligations on employers depend on the roles they assume. For most employers, this includes at least the role of a deployer (*a natural or legal person putting an AI system into professional use*), **as more and more organisations adopt AI-powered tools and programmes for use by their staff**.

The author suggests that employers make sure to:

- ⇒ Review the AI systems in use in the workplace
- ⇒ Identify the requirements that apply
- ⇒ Ensure staff AI literacy
- ⇒ Inform workers and their representatives if they will be subject to the use of a high-risk AI system

Other recent *Lexology* articles from Bird & Bird focus on **Employee shares in Czechia**: New legal framework effective from 2026; and **Invalid vesting clauses in Germany**: Federal Labour Court strengthens employee rights regarding options.





Employment Rights Bill ping pong

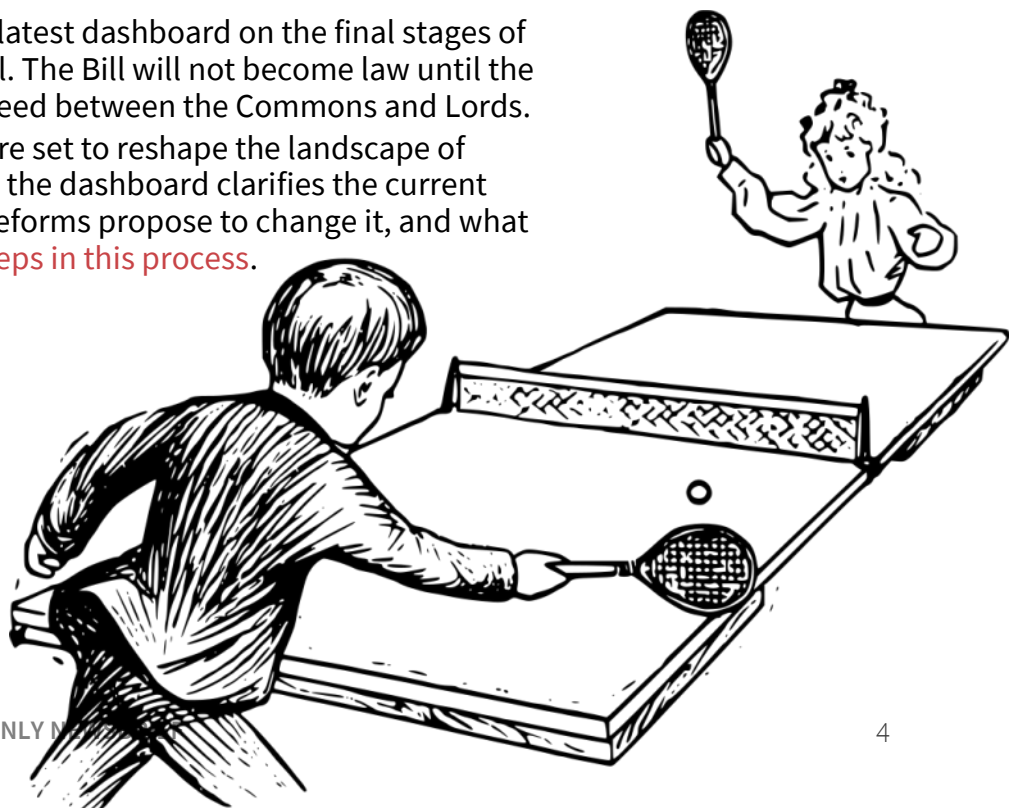
In its November 6 *Employment Edit*, **Burges Salmon** said that the Employment Rights Bill continues to be the subject of debate in Parliament, with the Bill remaining in a period of ‘ping-pong’, as amendments go to and fro between the House of Commons and House of Lords as they try to resolve the final points of disagreement.

The House of Commons disagreed with proposed amendments which the House of Lords voted in favour of a week earlier, including amendments that would:

- ⇒ introduce a six-month qualifying period for unfair dismissal claims (rather than unfair dismissal becoming a ‘day one’ right);
- ⇒ add a mechanism allowing a worker to opt out of the right to a guaranteed hours contract; and
- ⇒ retain the existing turnout threshold for industrial action ballots (which requires at least 50 percent of those entitled to vote in a ballot to have done so).

The Commons supported alternative amendments that would introduce a statutory requirement for the government to consult prior to issuing regulations on a range of key details relating to the unfair dismissal reform and would require the government to consider the impact of e-balloting before removing the industrial action ballot threshold requirement. The Bill will now return to the House of Lords for reconsideration. Burges Salmon will keep us posted on all key Employment Rights Bill developments in the coming weeks, including **any news on when the Bill might be passed**.

Lewis Silkin published its latest dashboard on the final stages of the Employment Rights Bill. The Bill will not become law until the final wording has been agreed between the Commons and Lords. These sweeping changes are set to reshape the landscape of employment law. By topic, the dashboard clarifies the current legal position, how these reforms propose to change it, and what is known about **the next steps in this process**.





Planning ahead for a potential IPO

In *Planning ahead for a potential IPO* CMS outlines the value of employee share schemes both as a drawcard for investors wanting assurance on a motivated management team, and as a visible incentive for employees once company shares are listed on the public market.



THE INVESTMENT ASSOCIATION

Investment Association's Principles of Remuneration 2026

On November 12 the Investment Association (IA) issued the Principles of Remuneration 2026 (PoR 2026) to remuneration committee chairs. The 2026 document replaces the 2025 version, which added flexibility to their previous guidance to companies. The IA, as the representative of major institutional investors, is influential on matters of executive remuneration.

The key points according to Damien Carnell of Corpgro are:

- ⇒ With small changes it builds on the previous position
- ⇒ Company specific rationale is expected. Boilerplate “market” and “recruit and retain” reasons are not enough
- ⇒ Pay benchmarking detail in depth and relevance rationale are crucial for shareholder consultation. Drab comparator selection and vanilla numbers are inadequate
- ⇒ Hybrid schemes (ie include Restricted Stock) remain unwelcome without clear US segment justification
- ⇒ Bonus deferred into shares should continue post meeting SOG guidelines, so malus and clawback can apply fully
- ⇒ In flight incentive adjustment discretion is unwelcome, aside from clear explanation in exceptional circumstances, to enhance the pay and performance link
- ⇒ Shareholder consultation remains vital
- ⇒ A new IA investor register of remuneration contacts will be available to aid consultation
- ⇒ Collective meetings on remuneration between companies and investors will continue to help the views of smaller institutional investors be clear
- ⇒ NED remuneration continues to exclude participation in incentives
- ⇒ ...while still encouraging NED shareholding via fees paid in shares.





Keeping your options and shares when employment ends

Doyle Clayton's guidance on share option plan risks and best practice when employment ends, suggests the key employee considerations should include plan rules and settlement terms, good leaver vs bad leaver implications, and the need for explicit agreement and formal documentation. Legal insight has been drawn from the [Dixon v GlobalData plc High Court decision](#).

KKR to tender for Japanese staffing firm

KKR will launch a tender offer to acquire all common shares and share options of Forum Engineering Inc, a Japanese engineering staffing firm. The tender period runs from November 11 to December 23, 2025. "In the event that the firm successfully acquires Forum Engineering, [KKR intends to implement a broad-based employee ownership programme](#) that will allow all employees of Forum Engineering to hold an ownership stake in the Company. KKR has introduced similar programmes in its prior investments in Japan, including Bushu Pharmaceuticals and Yayoi."

Interview: An opportunity to give workers a chance to build wealth

Pete Stavros, KKR co-head of global private equity and Ownership Works founder and chairman, joined '[Squawk Box](#)' to discuss the [idea of employee ownership](#), how shared ownership works, using it as a retention and engagement tool, and more.



Employment tax update - October 2025

Macfarlanes has released its regular tax update for October. This bulletin follows the release of the October Agent Update (Issue 136) and covers [the taxes most relevant to employment](#).

The benefits of investment in share ownership

MM&K posted on the government growth agenda to increase investment confidence in "ordinary individuals" and the possible motivation behind PISCES and extending EMI Option applicability, linking into the [positive benefits of Esops in the workplace](#).

Global Employee Consultations at a glance 2025

White & Case's informative guide, *Global Employee Consultations at a glance*, "designed for companies wanting to know what information and consultation obligations a sale or restructure of a business (or part of a business) might trigger", provides insight on issues and challenges in managing a global workforce through a period of change, and the differences [in employment protection legislation](#).

CENTRE AND MEMBERS NEWS



Canada: **Budget 2025 and the future of EOTs in Canada**

Employee Ownership Canada has expressed disappointment that the Budget 2025, delivered on November 4, did not extend the \$10m capital-gains exemption for sales through Employee Ownership Trusts beyond the current December 2026 expiry. EOC claimed the decision creates uncertainty for businesses and advisers preparing for transition. The exemption was designed to make it easier for business owners to sell through an EOT, keeping jobs, ownership and prosperity rooted in local communities. Without it, some owners may delay or reconsider transition plans.

However, Employee Ownership Canada found reasons for optimism in the August 2025 legislative updates, continued cross-party support, and strong engagement from business owners, employees and advisers all pointing to growing recognition of **the value EOTs bring to Canada's economy.**



Slovenian parliament passes Coop/Esop law

An **NCEO** blog post has detailed the October 23 Slovenian Employee Ownership Cooperative Act, the first of its kind in Europe, which joins Slovenia with the UK, Canada, and the US as the only countries to have passed trust-based employee ownership laws.

Employees have capital accounts in the Coop/Esop, plan and must purchase a membership in the cooperative to be covered by the plan up to a maximum charge of €300. Additionally, there is no trustee as employees “elect a worker council to oversee the plan” with shares “**valued on an asset basis, not a willing buyer/willing seller basis.**”



Congratulations

Computershare's Jersey Employee Share Plan Trust team was honoured with the Chartered Governance Institute EBT Team of the Year award on October 17.

Managing director Heidi Wilson commented: “Our success is a testament to the hard work and commitment of our team, who have remained focused on a clear, long-term strategy. Jersey's unique position and reputation in financial services have empowered us to offer world-class solutions to leading companies”.

- ⇒ **CMS** named Law Firm of the Year at the *Energy Storage Investment Awards 2025*
- ⇒ **Fairway** included in *privateclient* Top Trust Company rankings 2025
- ⇒ **Fieldfisher** achieves top rankings in *Chambers and Partners 2026*





JTC set to be acquired by private equity firm in £2.7bn deal

Channel Eye reported that JTC, which just last month acquired Centre member **Kleinwort Hambros Trust Company** (CI), is set to be acquired by private equity firm Permira in a £2.7bn deal that will take the listed company private.

The boards of Papilio Bidco Ltd – a newly incorporated company indirectly wholly-owned by funds advised by Permira Advisers LLP – and JTC have reached agreement on the terms of a recommended cash acquisition of the entire issued and to be issued ordinary share capital of JTC.

The Cash Consideration represents a premium of approximately 49.4 percent to the closing JTC share price of £8.97 as at August 13 2025 (being last close prior to the first offer made by Permira).

The Acquisition enterprise value implies a multiple of approximately 26.2 times JTC's pre-IFRS 16 adjusted EBITDA for the 12 months ended June 30 2025 of £100m.

Founded in Europe in 1985, Permira is a global private equity firm with over €80bn of committed capital, and a globally diversified base of leading international investors, including endowments, sovereign wealth funds and pension funds.

JTC's ceo Nigel Le Quesne said: "Today's announcement marks a recognition of the quality and value of the business that we have all built over the last 37 years.

"I am exceptionally proud of the achievements of the entire JTC team. Through the power of shared ownership, we are now over 2,300 people providing above-and-beyond service to more than 14,000 clients in over 100 countries."

Robin Bell-Jones, partner and head of London at Permira, said: "We have long admired JTC and its exceptional leadership, which has consistently delivered strong performance, disciplined growth and a clear strategic vision. The culture of the company and focus on its people is distinctive."

JTC's "Ownership for All" programme was judged best all-employee share plan in the 17th *newspad* all-employee share plan awards earlier this year. The judges agreed that JTC's approach was highly effective, with 100 percent of its of employees owning 16 percent of the issued share capital—a level of participation unmatched by any other applicant. Its structured approach ensures that every employee benefits from the company's success. Employees had collectively benefited from £400m in value, reinforcing the firm's strong ownership culture.



Associate Director Sarah Steadman accepts JTC's *newspad* award earlier this year



Budget tax rumours holding back UK economic growth

According to *City A.M.*, UK economic momentum has stalled amid mounting speculation that Chancellor Rachel Reeves will introduce around £30bn in tax rises at the November 26 Budget, leaving businesses and investors cautious. Economists surveyed by Bloomberg expect GDP to have grown just 0.2 percent in Q3, with September showing no growth after a modest 0.1 percent rise in August. The slowdown contrasts sharply with the one percent expansion recorded in the first half of 2025, when firms accelerated activity ahead of the US President's tariff measures.

The Bank of England noted weaker spending as businesses delayed decisions due to Budget uncertainty, while reports of softening demand increased. Deutsche Bank's Sanjay Raja said growth is being

supported largely by government expenditure, which is estimated to have risen 0.6 percent, alongside a one percent increase in public-sector investment; trade is expected to be the main drag. HSBC economist Emma Wilks sees tentative signs of stabilisation, noting stronger-than-expected PMI figures in October, steady consumer confidence, and the likelihood of modest Q3 growth despite stagnating monthly GDP. Analysts are now looking to upcoming labour and wage data: unemployment recently edged up to 4.8 percent and pay growth eased to 4.7 percent, with expectations of further softening. A weaker labour market could bolster the case for a 25-basis-point interest rate cut at the Bank's next meeting, **potentially helping to revive momentum.**

Tax burden causing 12% of business leaders to depart UK

A poll by Rathbones, reported in *IFA magazine* found that 12 percent of UK SME leaders are actively planning to relocate themselves, their business or both because of the current tax burden. That is equivalent to roughly 680,000 out of the estimated 5.67 million businesses in the UK.

Nearly two-thirds (63 percent) of surveyed SME founders, owners and senior executives believe the government is not doing enough to encourage business growth, and 42 percent think current government policies are unsupportive of business.

Respondents identified recent changes as having material impact: 43 percent cited tax changes, 36 percent attributed increases in Employers' National Insurance and the National Living Wage as a moderate or significant impact on their business, and 13 percent pointed to employment law changes.

Independent research agency Viewbank conducted the survey, **interviewing 1,024 SME founders, owners and senior executives** between October 24 and 27, 2025.

Business start-up rates fall as insolvencies increase

An article in *Business Up North* highlights a trend of **decreasing business start-up activity across the UK**. Based on an analysis of data from Creditsafe, the UK's insolvency and restructuring trade body R3 announced "a clear slowdown in new business launches" together with an upward trend in insolvency-related activity in all regions of the UK except Wales.

Notable October falls in new business activity include:

- ⇒ -5.6 percent in Yorkshire and the Humber
- ⇒ -9.9 percent in Northern Ireland
- ⇒ -6.3 percent in the Southwest
- ⇒ -4.4 percent in Greater London



India

Esop allocation news



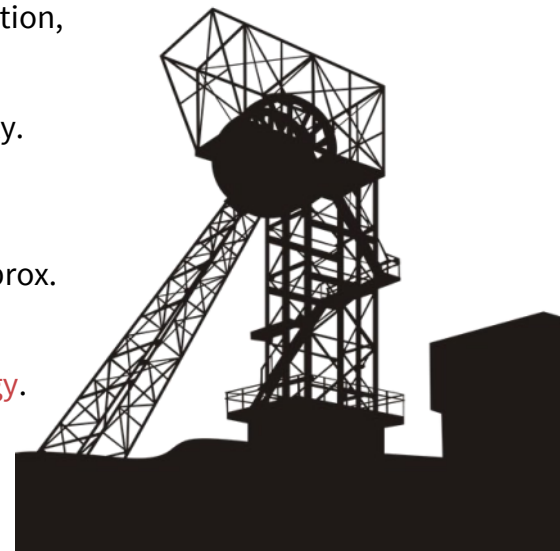
- ◆ **Flipkart:** Early Diwali for Flipkart employees as it completes \$50m Esop buy back from over 7,000 staffers
- ◆ **Groww** IPO to unlock employee wealth worth Rs25bn
- ◆ **ICICI Prudential Life** Insurance Company allots 18,028 equity shares under Esop
- ◆ **Intense Technologies** allots 12,500 shares to employees under Esop
- ◆ **KFin Technologies** allots 16,492 equity shares under Esop
- ◆ **Mahindra** offers one-time Esops to 14,000 staff, including factory workers
- ◆ **Pine Labs** IPO: Esop costs surge 123% YoY in Q1FY26 – Key investment insights
- ◆ **Sequent Scientific** allots 11,86,700 equity shares under Esop
- ◆ **Syrma SGS** boosts staff ownership with 366,000 share allotment

South Africa

South African miner worth R60bn sells business for R250m

Exxaro Resources, a major South African mining group with a market capitalisation of about R60bn (approx. £2.6bn), has sold its entire shareholding in Exxaro FerroAlloys Proprietary Limited for R250m (approx. £11m). The buyer is a consortium comprising EverSeed Energy, FerroAlloys Management, and an employee share ownership plan, which will hold 60 percent, 30 percent, and 10 percent of the business respectively.

FerroAlloys is a South African ferrosilicon producer with both domestic customers and an active export licence. The transaction, finalised on October 31 2025, was funded through equity, commercial debt, and vendor finance. All existing contractual obligations will continue to ensure smooth business continuity. Exxaro ceo Ben Magara said the divestment forms part of the company's strategy to focus on its coal operations, expand its energy solutions business and pursue acquisitions in energy-transition metals. The sale follows Exxaro's recent R11bn (approx. £470m) investment in manganese assets in the Kalahari Manganese Field, signalling a strategic shift into future-facing critical minerals used in steel and emerging battery technology.





Japan

New Sony share repurchase facility announcement

Yahoo Finance reported on the recent Sony Group Corporation's share buyback of almost ¥250bn and shelf registration filing "to offer 2,657,167 shares of common stock valued at US\$74.27m" **principally in relation to its Esop.**

Esop Trust reintroduced to boost Eso and long-term value

Precision bearing technology manufacturer Nippon Thompson has approved the reintroduction of an Employee Stock Ownership Plan Trust to reinforce medium- to long-term value creation and expand employee participation in company growth. First launched in 2020 and concluded in September 2025, the renewed programme—approved on November 10 2025—will establish a trust that acquires company shares for eligible members of the Nippon Thompson Employees Shareholders' Association, with monthly transfers to participants based on their contributions. The trust, managed by Mitsubishi UFJ Trust and Banking Corporation, may acquire up to ¥518m (approx. £2.7m) in shares and will operate from November 27 2025 to December 13 2030.

Employees will receive dividends from trust-held shares and, if the share price rises, may receive proportional cash distributions at trust maturity; should losses occur, the company will cover outstanding liabilities, shielding participants from downside risk. By linking compensation to share performance while supporting long-term wealth creation, the renewed Esop Trust is designed to enhance engagement, align interests between employees and management **and strengthen corporate value.**





USA

Banner Corporation Esop stock offering

Simply Wall St reported banking organisation Banner Corporation's shelf filing of plans to expand its employee ownership with a potential offering of up to 500,000 shares valued at US\$30.15m. The publication flagged the risk of short-term shareholder dilution if the Esop shares are issued.

Equity returns on Esops outpace S&P 500

An inaugural Esop valuation index by global advisory firm Stout Risius Ross LLC, published on October 30, has shown that Esops deliver "superior financial results" for a company, reported Emily Boyle in *Planadviser*. Data analysed from 2021 to 2024 (inclusive), found more than 350 Esop-owned companies produced a 17.3 percent average annual return, surpassing the S&P at 11.9 percent and the Russell 2000 at 3.1 percent.

The financial benefits were evidenced even in smaller companies (less than \$100m in enterprise value) which delivered 15.5 percent.

Planadviser reported further on the perceived complexity of "adequate consideration" in Esop transactions and valuation, and the October 9 Senate-approved Retire Through Ownership Act, "which would create a statutory safe harbour for Esop fiduciaries when determining whether the sale of private company stock to an Esop is for "adequate consideration." The bill unanimously passed through the House of Representatives Committee on Education and Workforce in September but Jonathan Witt notes that it has not been taken up by the full chamber."



Graeter's announces employee part-ownership

According to the *Courier Journal*, Cincinnati ice-cream maker Graeter's is set to establish an Esop that will put 44 percent of company shares into a trust to benefit vested full-time employees. The transaction was actioned as part of Bob Graeter's retirement, with the Graeter family retaining a majority ownership. However, family members can only own shares if they are active in the business.



USA

Opinion: Employee ownership requires cultural shift

US private equity firm Cambridge Associates which also has a London base, argues that although employee ownership is increasingly viewed as an exciting emerging strategy in private markets, it remains confined to a niche because the broader industry has yet to adopt the mindset needed for it to flourish.

The model is often praised for its potential to boost employee engagement, improve alignment of incentives and strengthen long-term business performance, yet investors remain hesitant due to concerns around liquidity, governance and the practicalities of sharing ownership widely. The article notes that scaling employee ownership will require more innovative investment structures, particularly those that enable institutional investors to participate while still meaningfully allocating equity to workers. Success also depends on demonstrating that financial returns can coexist with social impact, helping to satisfy both fiduciary expectations and cultural aspirations. Cambridge Associates maintains that, without a shift in how managers, investors and businesses perceive the value of employee-level equity participation—moving beyond compliance or optics towards genuine empowerment—the approach risks staying on the fringes, despite clear **momentum and supportive case studies**.



What FirstBank will lose in being acquired by PNC

An opinion piece by Esop academic Colin Birkhead, assistant professor of management at Duke University in Oregon, covered **the financially unquantifiable benefits of Esops**. It was published in the Pittsburgh Post-Gazette.

Employee co-ops can save local businesses when owners retire

Local businesses are a powerful economic driver in small cities, collectively employing a large number of people and making up a big part of the tax base. Yet, even some highly successful local businesses may cease to exist over the next decade as their owners retire without a succession plan to continue their legacy.

According to the Georgia Center for Employee Ownership, it doesn't have to be this way. Matthew Epperson, GACEO's local outreach coordinator for Athens, Georgia, estimates that there are about 1,000 local businesses owned by baby boomers in town that could be saved over the next decade through employee ownership.

"A lot of business owners think that if they can't find a third-party buyer or someone wealthy enough to buy the business outright, they'll have to close. That's not true," Epperson says. "There's this **huge world of employee ownership** that people don't know about. It's everywhere."





USA

Georgia court grants initial approval in \$2m Esop settlement

The USA Herald reported that a federal court in Georgia has given initial approval to a \$2m settlement in a class action accusing United Bank Corp of **unlawfully removing former employees from its Employee Stock Ownership Plan** and denying them proceeds from a \$23.3m dividend.

According to the order, roughly 74 class members, all former Esop participants, will each receive over \$27,200 from the settlement — about 43 percent of what they could have earned at trial. Judge Marc T Treadwell will consider attorney fees during a final approval hearing scheduled for March 26.

Employees ask for rare rehearing of stock ownership lawsuit

SeafoodSource, online news site for the seafood industry, reported on five employees of seafood processor Inland Seafood, (rebranded as Inland Foods), who are taking their lawsuit to the United States Court of Appeals after a panel of judges ruled against them last month. Such a rehearing is rare; however the plaintiffs appear to have support for their petition.

The Atlanta, Georgia, company's Esop was established in 2016 with a \$92m loan that "was used to purchase 100,000 shares of common stock from four Inland Foods officers and directors. Those shares were then to be distributed to employee pension accounts based on tenure, giving more tenured employees a bigger stake in the company's ownership." In 2022 five employees sued the company over the plan, "alleging that those officers and directors overvalued their stocks when they sold them back to the company, artificially inflating their returns and **effectively depriving the pension plan of tens of millions of dollars**".

The court case has been repeatedly dismissed as "the defendants should have exhausted the administrative claims procedures incorporated into the stock ownership plan before filing suit". The plaintiff's petition to the full 11th Circuit Court of Appeals argues that "the legal precedent the courts relied on in requiring them to exhaust administrative remedies actually goes against Supreme Court precedent".





Number of employee-owned businesses in Wales hits 100

According to the Welsh government the number of employee-owned businesses in Wales now far exceeds the Programme for Government commitment to double the number in Wales and reach 74 by 2026.

Hitting the 100 mark was celebrated with an event in the John Lewis store in Cardiff on November 11. Cabinet Secretary for Economy, Energy and Planning, Rebecca Evans said: “Evidence shows employee-owned businesses are more productive and more resilient. They are also rooted in their local areas and regions, securing good quality jobs for the longer term within communities.

“We made supporting employee-ownership a key commitment for this government, providing significant support for employees to complete worker buyouts and ensure Wales-based companies remain rooted in a stronger Welsh economy.



100

“I am delighted we have hit the target of 100 employee-owned businesses in Wales. The scale of the sector has grown dramatically in the past few years with the potential for many more businesses to transfer to employee ownership and thrive.”

Cwmpas project manager Nicola Mehegan added: “Reaching 100 employee-owned businesses in Wales is a remarkable milestone that shows the strength and ambition of our business community.

“Together, we are creating more resilient, innovative companies that safeguard the legacy of business owners and build a stronger, fairer economy for future generations.”

The Welsh government’s Business Wales and Social Business Wales service offers specialist advice to support employee buy outs, and Cwmpas receives Welsh Government funding to promote the benefits of employee ownership in Wales.



Employee ownership boom cools as tax clampdown slows sales to staff

Jamie Young of *Business Matters* magazine reports that after a decade of rapid growth, Britain's employee ownership movement is hitting the brakes. New tax rules introduced in last year's Budget have curbed the number of business owners selling to their staff, following a clampdown on offshore trusts used to sidestep capital gains tax.

Research from the Employee Ownership Association shows that company sales to employee ownership trusts fell from 550 in 2024 to just 200 in the first eight months of this year. The total is now expected to reach around 350 for 2025 — a drop of more than a third.

Fresh figures from HM Revenue & Customs, obtained by accountancy firm Price Bailey, back up the trend. Only 104 EOTs were cleared by HMRC in the three months to June, the lowest level since early 2022.

Experts say the decline follows reforms designed to close tax loopholes exploited by some sellers. Previously, company owners could transfer their businesses to offshore EOTs, whose trustees would quickly resell the company to another buyer, allowing the **original owners to pocket the proceeds tax-free.**



EOT Roundup

- ◆ Manufacturer **APS Metal Pressings**
- ◆ Creative agency **The Behaviours Agency**
- ◆ Consultancy firm **BIC Innovation**
- ◆ Engineering firm **Booth Welsh**
- ◆ Hospitality recruiter **Catering Services International**
- ◆ Care home group **HomeTrust Care**
- ◆ Crisis management firm **Insignia**
- ◆ Scottish architectural practice **jmarchitects**
- ◆ social care vocational training provider **Partnership Training**
- ◆ Theatre lighting company **Push the Button**
- ◆ Plant hire business **T&M Bowser Solutions**
- ◆ Law firm **Whitehead Monckton**



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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.

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

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