



Centre Autumn Budget representation

The Employee Share Ownership Centre has submitted three targeted papers to HM Treasury ahead of the Autumn Budget 2025. Each proposes practical reforms to strengthen and modernise the UK's framework for employee share ownership. This follows on from a constructive meeting with HM Treasury in September.

1. Tax-advantaged employee share schemes

The Employee Share Ownership Centre's Autumn Budget 2025 submission proposes targeted improvements to the UK's established tax-advantaged share plan regimes - EMI, CSOP, SAYE and SIP - to make them more accessible, flexible and effective. The proposals aim to simplify administration, reflect modern patterns of employment, and promote productivity, growth and fiscal responsibility. They draw on the experience of Centre members and advisers and are designed to remove unnecessary barriers to participation without additional fiscal cost.

2. Strengthening the Employee Ownership Trust (EOT) framework

Our proposals aim to sustain the integrity of the EOT model while removing practical obstacles to its adoption by responsible employers. They include clarifying the qualifying conditions for trustees, modernising the treatment of hybrid structures, and supporting longer-term employee engagement within EOT-controlled businesses.

These reforms would reinforce the UK's reputation for fair and sustainable employee ownership, encourage succession planning among SMEs, and help more companies embed employee voice and accountability at board level.

3. Reforming Capital Gains Tax to support employee ownership & PISCES recommendation

The third of the Employee Share Ownership Centre's Autumn Budget 2025 submissions considers how targeted reform of Capital Gains Tax could stimulate wider employee ownership and improve business resilience.

The proposals recommend aligning CGT treatment with long-term employee shareholding objectives, simplifying reliefs for employee trusts and plan participants, and ensuring that fiscal incentives support both direct and indirect models of ownership.

By reducing complexity and promoting reinvestment, these measures would strengthen the ecosystem for employee share ownership across the UK, enhancing productivity, retention and the distribution of capital growth.

The papers are available to download from [the Centre's website](#).

The Centre is particularly grateful to David Craddock, David Pett, Jennifer Rudman and Damian Carnell for their input.





KKR to give keynote at Centre's share plans symposium: March 26 2026

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 of the
- ⇒ Live session: face-to-face event to discuss 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 from KKR will focus on the financial rationale behind its substantial efforts to back employee share ownership, a move now 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 context; and case studies of employee share plans in action.

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, to network 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

Speaker opportunities:

If you would like to make a presentation at the symposium, please send your proposal to esop@esopcentre.com. Your speaker would need to be available to record a 20 to 30-minute talk between February 2 and March 10, and to attend the in-person section of the event between 13:45 and 17:15 on March 26 to take questions on the issues raised. The in-person part of the event will be divided into four discussion sessions, each covering a number of presentations.

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

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 receiving your nomination



18th All-Employee Share Plan Awards

THE BEST

- ★ All-employee share plan ★ Share plan communications ★
- ★ Use of technology in a share plan ★
- ★ Response to significant changes & challenges ★



Funds and investment management risk radar

In its *Funds and investment management risk radar* **Baker McKenzie** summarises current risks and opportunities in a time of market uncertainty, increasing regulatory scrutiny and digitisation.



UK AGM intelligence report

Computershare's *2025 UK AGM intelligence report* covers trends in shareholder engagement, technology adoption, ESG concerns and regulatory reform. Computershare notes that *"While overall meeting activity remained stable, contested remuneration policies rose significantly across all indices. Despite this, shareholder activism declined, though concerns over balancing sustainability goals with long-term value creation remained high on the agenda. Dissent against remuneration policies have increased from 12.1 percent to 21.6 percent in the FTSE 100."*



Employee ownership - the third-party sale alternative

In *Employee ownership - the third-party sale alternative*, **Doyle Clayton** advocates selling to an Employee Ownership Trust as a better option financially owing to changes to Business Asset Disposal Relief (BADR) which significantly reduce the potential proceeds from a third-party sale. The *compelling case for employee ownership* covers the Capital Gains Tax relief available to vendors selling to an EOT.



The great wealth transfer in an age of instability: Why jurisdiction and governance matter more than ever

In an article for *ThoughtLeaders4 High Net Worth Magazine* **Fairway's** managing private client director, Mark Andrews, discusses *navigating the great wealth transfer in an age of instability* and the important role of jurisdiction and governance.

"Over the next two decades, an estimated \$84trn will pass from one generation to the next in the largest intergenerational transfer of wealth in history. But this is no ordinary wealth transfer. Unlike previous handovers, this one is unfolding in a period of profound geopolitical uncertainty, shifting tax landscapes and rapid technological disruption."





The use of Employee Benefit Trusts in employee share plans

In a recent insight post **Fiduchi** discusses how **EBTs provide flexibility and independence**, critical in meeting the expectations of remuneration committees, auditors and shareholders.



High Court decision gives employees rights through “proprietary estoppel”

An insight from **Lewis Silkin** presented a recent High Court decision and implications for the body responsible for making decisions under a share scheme. Lewis Silkin explains “Despite the employer's ceo giving the employee an assurance that discretion would be exercised to ensure the option would not lapse on the employee's termination of employment, which was reflected in the employee's settlement agreement, the board of directors of the group's parent company that operated the scheme did not in fact take any steps to exercise its discretion to extend the option, and the parent company subsequently took the position that the option had lapsed under the terms of the scheme.

The High Court, however, held that the employee was entitled to rely on the promise made to them in the settlement agreement under the doctrine of proprietary estoppel, and as such would be entitled to a remedy which would be determined by the court at a future hearing.”



Compensation Report – 30th Anniversary Edition

MM&K has published its 2025 European Private Equity and Venture Capital Compensation Report, marking 30 years of this study. Despite challenging market conditions, competition for talent continues to drive pay growth. The report analyses compensation across 50+ roles, drawing on data from nearly 3,000 professionals across Europe. To read more and access a preview of the report click here [2025 European PE & VC Report](#).





Tapestry's Global roundup

China – SAFE quarterly reporting update

SAFE has recently notified a number of companies with SAFE registered share plans to suspend the submission of quarterly filings.

Tapestry comment: The latest update currently only applies to certain companies who will have been contacted by SAFE. So, if you haven't been contacted, you should continue to submit your quarterly reports as usual. Companies who have been advised to hold-off on filing their quarterly report would be well advised to complete the form and keep it on file in case they are asked to make the filing later.

Philippines – Updated securities laws filing application

To make an employee offer in the Philippines, issuers must apply to its Securities Exchange Commission for confirmation that the offer is exempt from the prospectus requirements under Section 10 of the Securities Regulation Code.

Tapestry comment: Companies which currently have a Confirmation of Exemption application in progress will need to check what amendments to their application are required to comply with the new Confirmation of Exempt Transaction rules. Note that the impact of these changes on companies who have already obtained a Confirmation of Exemption is not yet clear, but it is not expected that the validity of any pre-existing exemptions to be affected. Tapestry is working to confirm the position with local counsel.

Poland – New KNF position on 'derivative instruments' classification

Recent correspondence with the Polish Financial Supervision Authority (KNF) has highlighted a potential regulatory risk concerning the offering of conditional rights to acquire shares (such as RSUs and options) by foreign issuers to employees in Poland. The KNF has indicated that it may define such instruments as "derivative instruments incorporating a right to acquire securities" which could trigger significant regulatory obligations under Polish law if offered to 150 or more individuals in Poland. In particular, the instruments may only be offered if the instruments themselves are listed on a regulated market, alternative trading system or organised trading platform.

Tapestry comment: This is potentially bad news for companies offering conditional rights to acquire shares (such as RSUs and options) in Poland. While further clarity is sought and developments monitored, caution should be taken given the potential shift in regulatory approach. We suggest contacting your legal or compliance contact to assess the impact on your current or planned incentive schemes in Poland if you are offering to more than 149 employees.





UK – Changes to UK prospectus rules and the impact on employee share plans

Since the UK left the EU in 2020, offers of securities in the UK have been governed by the UK Prospectus Regulation (UKPR), which closely mirrors the EU equivalent. However, big changes are coming. On January 19 2026, UKPR will be replaced by the Public Offers and Admissions to Trading Regulations (POATR).

POATR marks a major update to the UK's capital markets framework. One key change under POATR is that all public offers of securities are prohibited unless they fall within a list of exceptions in Schedule 1. For companies running employee share plans, the good news is that many of the familiar exemptions from producing a prospectus under UKPR are being carried over. For example, the employee exemption (for offers to current or former employees and directors) and the fewer than 150 people exemption are still included. However, the financial threshold exemption has been lowered to £5m.

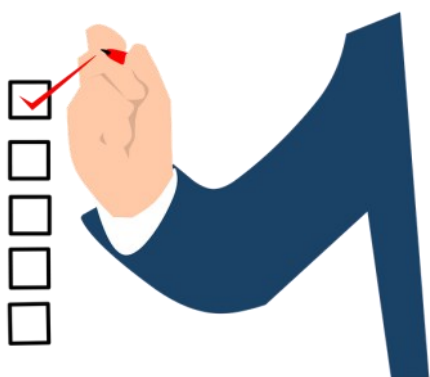
Tapestry comment: The new regime is designed to make it easier and cheaper for companies to raise capital in the UK, improving competitiveness and providing investors with quality information for decision-making. From an incentives perspective, while the new rules bring some changes, most of the familiar exemptions for employee share plans remain in place. That said, companies should review their plan documents and update their special wording / references accordingly to ensure they still qualify under POATR. Companies will also need to keep a closer eye on the value of offers made under their employee plans to ensure they stay within the new financial threshold exemption limit, if relevant. If you are unsure how these changes might affect your plans, now is a good time to seek advice and prepare for the new regime.



Workplace values survey 2025

A workplace values survey conducted by **Vestd** has discovered that many employees do not understand the benefits of share schemes. “Nearly two-thirds of workers believe company ownership would increase their motivation. Yet over one-third lack a basic understanding of how share schemes work.”

Vestd surveyed 500 full-time workers in five different industries and found that salary, flexibility and job security, followed by employee benefits, were the most important reasons why people applied for jobs. The survey demonstrated that even amongst satisfied employees there is a drive towards finding better compensation and work-life balance in another role. This has revealed “a productivity crisis hiding in plain sight.”





The risks in employee equity

Burges Salmon's Nigel Watson is examining the risks in single-stock holdings, building up quietly through overlapping awards and retention policies:

“Equity incentives are designed to align, motivate and reward. And they do. But left unchecked, what starts as alignment can quietly morph into over-exposure - distorting behaviour, straining oversight and leaving employees dangerously tied to a single story.

“Concentration is both a feature and a flaw of employee equity. It's the price of alignment but also a source of distortion if unmanaged. Boards should treat concentration not as a side effect, but as a design choice. The real question is therefore simple: do **your employees own the company or does the company own them?**”



EOTs in the USA

In the **NCEO's** Employee Ownership blog, Matthew Licina recaps the EOT and perpetual purpose trust (PPT) workshop at the 2025 NCEO forum.

The workshop was well attended which isn't a surprise; it reflects the growing demand and interest. It was attended by many companies, including prospective, recently converted and mature EOT- and PPT-owned firms.

Matthew and executive director Loren Rodgers kicked the programme off with opening remarks. Loren said that the NCEO was committed to supporting EOTs and PPTs, touching on the “Cambrian explosion” of interest in the structures, and Matthew shared the preliminary research findings from the NCEO EOT/PPT survey.

The workshop continued with:

- ⇒ Global EOT trends, growth, and lessons
- ⇒ A practical look at how EOTs are structured and what makes a business a strong candidate for this succession model
- ⇒ The legal and strategic decisions involved in designing and implementing an EOT, including how to identify key stakeholders and compare EOTs to other ownership models.
- ⇒ Governance arrangements and detailed methods for building effective communications in an EOT/PPT after the transaction.

Delegates had the chance to discuss specific challenges and find solutions with peers and service providers at subsequent roundtables. NCEO reported that the conversations were robust and showcased the **collaborative spirit evident in the burgeoning EOT/PPT ecosystem.**





Congratulations

Centre members make good showings in the Legal 500 UK 2026 rankings:

- ⇒ Centre Steering Committee member Sarah Ferguson of **Bird & Bird** posted on social media earlier this month: “I’m incredibly proud to share that Bird & Bird’s Employee Incentives & Benefits (EIB) team has been ranked **Tier 4 for Employee Share Schemes** in the Legal 500 UK 2025 edition – a leap from last year’s recognition as a ‘Firm to Watch’.”
- ⇒ **Ogier** cements its powerhouse reputation
- ⇒ **Fieldfisher** maintains its good showing
- ⇒ **White & Case** achieves nine Tier 1 practice rankings and 18 Hall of Fame partner recognitions

In addition to its Legal 500 recognition, **Ogier** won Best Law Firm – Fund Domicile at Hedgework US Awards 2025.



COURSE

Employee share plan course

Registration is now open for Tapestry’s 2026 Certificate in Employee Share Plans Course (Cert. ESP). The course is accredited by the Chartered Governance Institute UK & Ireland (CGIUKI).

The course is split into two parts and each part will be taught over five days on Microsoft Teams, finishing around lunchtime each day. The session timings are designed to ensure focus on the course is balanced with the demands of onscreen learning while also enabling students to fit in participation around other commitments.

Dates:

Part 1: May 11-15 2026 with examination on July 1 2026

Part 2: September 14-18 2026 with examination on November 4 2026

For details and application form visit: [Course Details | Tapestry - Your global incentives lawyers](#)





Jet2 staff in line for £58m payout from ShareSave programme

Almost 6,000 Jet2 staff who joined a ShareSave scheme in 2022 are in line to benefit from a total payout of more than £58m.

The scheme – highly commended in the best all-employee share plan communications category of the 2022 *newspad* Awards – matured on October 1. It gave members of staff the opportunity to buy shares at a discounted price of £7.66 each, with those who joined now able to choose whether to hold or sell their stakes.

The company said the payout had been calculated by multiplying the number of shares in the scheme by £14.16, based on an 84 percent rise in share price in the ensuing period. The return on the amount invested is more than £26m, with members who invested the average £227 a month in the three-year scheme standing to make a gain of approximately £6,922 from their £8,172 investment.

Members investing the maximum £500 a month stand to make a gain of approximately £15,261, if they opt to sell. The company said the scheme added to support for staff who have also received a compounded salary increase of 28 percent over the past four years.

Jet2 also operates a Profit Share Scheme for non-management staff and a Bonus Scheme for management.

Chief executive Steve Heapy said: “We continue to grow and succeed by focusing on a simple philosophy of *People, Service, Profits* and we are delighted that our hard-working colleagues can share in the success that they helped create.

“Their passion and tireless dedication to delivering industry-leading levels of customer service is what drives our continued success, so we are incredibly pleased to **see that effort rewarded through our ShareSave scheme.**”





Billionaire Revolut founder abandons Britain for UAE

According to the *Telegraph*, Revolut's billionaire chief executive has quit London for the United Arab Emirates, joining the growing exodus of wealthy entrepreneurs. Nikolay Storonsky, the founder of the \$75bn (£56bn) fintech giant and one of Britain's richest men, has moved to the Gulf state, according to a filing for his family office. The move comes just two weeks after Rachel Reeves hailed the opening of Revolut's new London office as a vote of confidence in Britain.

Mr Storonsky, 41, who was born in Russia, founded Revolut in the UK in 2015. The company's latest share sale will value his stake in the business at around £13.4bn. Despite founding and growing the company in London, Mr Storonsky has been a frequent critic of the business environment in the UK. In particular, he has criticised regulators over delays to gaining a UK banking licence and suggested he would not list the company in London.

The company had previously denied reports that Mr Storonsky had moved to Dubai, saying: "Nik is based in and registered to Revolut's UK entity." The finance app recently announced plans to invest £3bn in Britain and create 1,000 jobs over the next five years at an event attended by the Chancellor. At the event, Mr Storonsky said the UK was the company's "number one market".

His relocation comes amid growing concerns that a large number of millionaires are fleeing Britain, fuelled by the government's decision to tighten inheritance tax rules and abolish non-dom status. The UAE, by contrast, imposes no income tax.

As well as attending the opening of Revolut's new London office, Ms Reeves has been lobbying the company to list on the London Stock Exchange. It would mark a significant coup and provide a shot in the arm to the market after a long stretch of struggling to secure listings.

Revolut is reportedly considering a dual listing in the US and UK, despite Mr Storonsky having previously said it would not be "rational" to list in Britain because of stamp duty on buying shares. The Chancellor is considering introducing a stamp duty holiday for newly-listed companies as a way of attracting more companies to float in the UK.





Open all hours?

A reported shake-up to Sunday trading laws has sparked fresh controversy as retailers argue it will provide a much-needed economic boost while Christians and some unions warn of a trade-off in family living standards.

The **Daily Express** reported that at the time of the most recent Census in 2021, 27.5million people - around 40 percent of the UK's population - identified as Christian. It is by no means the only religion followed in Britain, and a great many people identify as atheists, but many Brits' weekly and yearly routines are still, to a large extent, guided by the country's more Bible-governed past.

Christmas is huge, as well as Easter, and many stores still have to abide by stricter opening hours on Sundays. Small shops - those under 280 square metres - can trade freely, whereas larger stores, including supermarkets like Tesco, Sainsbury's, Morrisons, Asda, Aldi, Lidl and Waitrose are only allowed to open for a six-hour period between 10am and 6pm.

Recent reports have suggested the government is considering relaxing the law, with Treasury insiders purportedly hinting at changes amid growing tensions over business rates reform for big retailers. But the debate over whether alterations are necessary is only likely to intensify the more the economy struggles.

Those against suggest that longer hours would take a toll on workers and smaller businesses, and deny Brits valuable rest and time with their families and loved ones. Retail workers' union USDAW says its members remain totally opposed to extending hours. "Longer Sunday trading will take a heavy toll on staff who will come under even more pressure to work, when they would rather be spending time with family and engaging in community, sports and leisure activities or attending church," a spokesperson said.

They add that even supporters of extended Sunday opening hours have not been able to show it will lead to economic benefits or job creation. "Put simply, opening shops for longer does not mean people have more money to spend," they said.

"It is our hope that the longstanding compromise on Sunday trading will not be undermined, because it fairly provides a tried and tested, workable solution for everyone involved in the debate."

Advocates for change have highlighted a "flatlining" economy, and argue that a changed society means the current regulations are outdated. Friend of the Centre, **Professor Len Shackleton**, an editorial and research fellow at the Institute for Economic Affairs and professor of economics at the University of Buckingham, says the world has changed since a compromise over opening hours was reached in the 1990s. He believes "the rules should change" to reflect the rise in online shopping, the decline of religion and the UK's changed demography. He admits that it may promote a gradual shift away from smaller, more expensive shops towards lower-cost operations, but the academic argues this would benefit the consumer.

"It is understandable that individuals and families may be worried about the impact on their own businesses, but this needs thinking through," he says. "We should not exaggerate the negative impact. A family corner shop still has the advantage of location you can pop in for milk and bread, rather than get in the car and drive to the big supermarket."

Centre founder and president Malcolm Hurlston CBE commented *"I met Tony Blair in Luxembourg when he was shadow Trade Secretary. He told me that personally he favoured Sunday trading, but the party would only support it when the unions agreed."*

"Years later the boss of Tesco told USDAW he planned to switch recognition to the General and Municipal Workers which favoured Sunday opening. Garfield Davies of USDAW had no choice and I found myself writing the Union's press release as well as ours."

"The Shops Act only affects England and Wales. In those days the Co-op both led the anti campaign in England and Wales and opened its Glasgow hypermarket on Sundays."



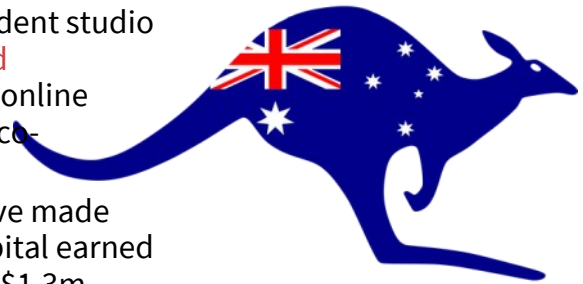


Australia

Qloud Games uses Esop capital to raise \$5m seed round

Qloud Games is poised to become a world class independent studio in Australia with global impact as it **uses Esop capital and collaboration to launch Loftia**. An upcoming multiplayer online game, *Loftia* aims to “foster positive, collaborative and eco-conscious gameplay”.

Two of Qloud’s founders, Michael Su and Martina Qin have made the game possible by investing \$500,000 of their own capital earned from a Canva Esop, as well as creating a record breaking \$1.3m Kickstarter campaign and building a 600,000 strong collaborative community across social media platforms.



France



French fintech Qonto confirms secondary share sale plans

Paris-based fintech Qonto, one of the most highly valued private tech companies in France, plans to carry out rounds of secondary share sales **to offer liquidity to employees and early investors**, according to an article on *Sifted*. Qonto reported €448.7m in revenues and €144m in net profits in 2024, and has raised over €600m to date, including a €486m Series D in 2022 at a €4.4bn valuation led by Tiger Global and TCV.

“With that secondary market being very active... we don’t have any real need in the short-term for an IPO,” stated Qonto cofounder and ceo Alexandre Prot.

Capgemini launches €675m share buyback for twelfth Esop

Capgemini announced a €675m (£573m) share buyback as part of its twelfth employee share ownership plan, aimed at neutralising the dilution resulting from its employee capital increase. Under the agreement, Capgemini will repurchase up to 2.7 million shares at a maximum average price of €250 (£212) per share, with all repurchased shares to be cancelled. The operation will end before December 18 2025, coinciding with the effective date of the capital increase which will expand employee shareholding by up to 1.58 percent of the company’s current capital.

This dedicated buyback envelope is separate from the group’s previously announced €2bn (£1.7bn) multi-year share repurchase programme. Capgemini said that the transaction will have no material impact on its cash position and is structured to ensure existing shareholders are not significantly diluted. The move reflects the group’s balanced capital allocation strategy — reinforcing employee engagement through share ownership while maintaining shareholder value. With €22.1bn (£18.7bn) in 2024 revenues and a global workforce of 350,000 employees, Capgemini is positioned as a leader in digital transformation, combining strong financial discipline with initiatives that align its workforce **to long-term corporate performance**.



Image by Daniel Vargas Ruiz from Pixabay



India

Enforcement Directorate files charge against former executive in ₹1.7954bn scam

The *Free Press Journal* reported that the Enforcement Directorate is laying charges against Rashmi Saluja, former executive chairperson of Religare Enterprises and two others over alleged irregularities in employee stock options.

“The ED has alleged the conspiracy was aimed at obstructing the takeover of REL by the Burman family to ensure the accused continued to enjoy sole control and various financial benefits, including the illegal Esops.”

*“The objective was the unlawful acquisition of a substantial equity interest in CHIL through the unlawful grant of Esops and the conspiracy was not limited to personal enrichment - rather it was complex and multifaceted. The central agency alleged too that Rashmi Saluja misused her position and authority by not only approving her own name, alongside Singhal and Aggarwal, for the grant of Esops of CHIL in clear defiance of the company's policy, but also by unilaterally determining the number of options to be granted. It represents a blatant disregard for corporate governance and intent for **making unlawful gains through Esops.**”*

Promoter incentives: two steps closer, and many steps to go

An article on *Lexology's Private Client* blog analyses amendments made to the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021, particularly in relation to regulatory developments around founder incentives and allowing top employees to retain their Esops upon being classified as ‘promoters’ during the IPO process.

It said that the rise of India Inc's New Age Technology Companies (NATC) marks a transition from traditional “founder-owned businesses” to a “venture backed start-up market”, where the founders must often bear the “cost” of acquisition of institutional capital via a dilution of their shareholding.

The recent development in the venture-backed start-up market has also seen a trend where NATCs are increasingly required to provide exit opportunities to their institutional investors through Initial Public Offerings. However, at the time of undertaking an IPO, the founders of these companies are often categorised as “promoters” or “members of the promoter group”, which makes them *ineligible to receive Esops under the current regulatory framework.*



India

Esop bonanza: Payouts surge 30% to ₹150bn in FY25, show data

The *Business Standard* reported that spending on **employee ownership programmes in FY25 increased by 30 percent**, according to Centre for Monitoring Indian Economy (CMIE) data.

Esop allocation news



- ◆ Alliance Insurance
- ◆ Ather Energy
- ◆ AU Small Finance Bank
- ◆ Darwinbox
- ◆ InsuranceDekho
- ◆ Ironclad Asset Management
- ◆ One 97 Communications
- ◆ Prudent Corporate Advisory Services
- ◆ Suzlon Energy Limited
- ◆ Yes Bank
- ◆ Zen Technologies
- ◆ Zomato parent Eternal

Sweden

Hilbert Group proposes changes to the board and Esop 2025

Digital asset investment firm Hilbert Group has convened an extraordinary general meeting for mid-November to agree several significant proposals aimed at strengthening the company's financial position and governance structure.

The Board proposes the introduction of Employee Stock Option Programme 2025, granting up to 13,000,000 stock options to employees, consultants, the ceo and the new chair of the Board. The programme aims to motivate and retain competent personnel while **aligning employee interests with shareholder value creation**.





USA

Esop bills pass senate by unanimous vote

The **Retire Through Ownership Act** and the **Employee Ownership Representation Act** of 2025 have been unanimously approved by the Senate and will proceed to the House of Representatives for approval before advancing to the President to be considered for signing into law, as reported by website *Planadvisor*.

“The Senate’s unanimous passage of the Retire Through Ownership Act is a landmark moment for Esops,” said James Bonham, president and ceo of The ESOP Association. *“The Senate has spoken with one clear voice on legislation that will help eliminate regulatory uncertainty and ensure that Esops and trustees who follow clear rules will not be subject to needless litigation and harassment by the government and plaintiffs’ bar.”*



How ownership structures can unlock growth and protect your bottom line

In an opinion piece, thought-leadership platform *Minutehack* said that in an increasingly competitive landscape, businesses which thrive are those that manage not only their products and market share but also the architecture of their ownership. The trick is understanding which structures are worth considering and how they can protect your business without forcing you to give up control. That’s where strategies like Employee Stock Ownership Plans come in—not for warm-and-fuzzy employee ownership optics, but as a serious tool for tax efficiency and long-term planning.

Innovative structures such as Esops, family trusts, and hybrid ownership models can unlock hidden growth potential while reducing tax exposure and strengthening long-term stability. For many founders, taxes represent a far greater obstacle than competition, yet few realise how reconfiguring ownership can preserve millions in profits for reinvestment or succession. Esops, in particular, are more than symbolic gestures of employee inclusion—they’re strategic tools for liquidity, tax efficiency, and business continuity. When crafted correctly, they allow founders to maintain control while preparing for sustainable transition.

Moreover, diversified ownership models appeal to lenders, offering better financing terms and resilience in downturns. The key lies in financial literacy and expert guidance: owners who understand how these mechanisms work can transform what once felt like bureaucratic complexity into a powerful lever for growth. Specialised consultants across sectors—from healthcare to aviation—play a pivotal role in tailoring structures that satisfy both regulatory scrutiny and operational ambition. Ultimately, ownership strategy is not about paperwork—it’s about legacy, stability, and ensuring that a company’s **success endures beyond its founders**.



WORLD NEWS

USA



B-K Lighting's \$2.5m deal to resolve Esop complaint

After more than two years of allegations, depositions and disclosures, B-K Lighting's legal saga over its employee stock ownership plan is inching toward a court-approved ending. According to *Inside Lighting* recently filed court documents, architectural lighting maker, B-K Lighting, and a cohort of company insiders — including ceo Nathan Sloan and members of the Hagen family — have agreed to a \$2.5m package to settle class action claims brought by a former HR employee who may have known more than most about the company's inner workings. The original lawsuit, filed in April 2023, painted a portrait of corporate excess cloaked in fiduciary failure. Plaintiff Linna Chea, a former HR generalist at B-K Lighting, alleged that the company's 2017 **Esop transaction was inflated and that executives misused company resources in the process**. The complaint cited a \$25.2m stock sale to the Esop, a \$2m consulting agreement with company founder Doug Hagen (despite his reportedly deteriorating health), and private jet flights used for personal travel — paid for by company funds.



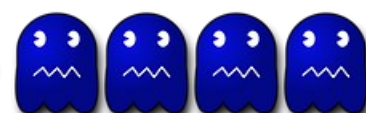
Did Take-Two Interactive's Esop stock offering just reshape its investment story?

Sasha Jovanovic reports in *Simply Wall Street* that Take-Two Interactive Software has filed a US\$1.27bn (£1.04bn) shelf registration offering 5.2 million shares tied to an employee stock ownership plan, capitalising on the success of video games *Borderlands 4* and the mounting anticipation for *Grand Theft Auto VI*.

This move underlines Take-Two's commitment to fostering employee ownership and engagement as it navigates an ambitious release pipeline and rising development costs. While the Esop transaction itself is not expected to shift the company's short-term trajectory, it could reinforce investor confidence in Take-Two's efforts to align staff incentives with

shareholder value. The offering follows a US\$1.07bn (£880m) follow-on equity raise in May, underscoring an active capital strategy to support major launches amid scrutiny over margins and escalating expenses.

Looking ahead, forecasts suggest US\$8.8bn (£7.2bn) in revenue and US\$1.1bn (£900m) in earnings by 2028, assuming sustained 14.8 percent annual growth. However, analysts caution that profitability remains vulnerable to the performance of flagship franchises like GTA and NBA 2K. Despite these risks, Take-Two's Esop initiative is viewed as a signal of long-term confidence and a step toward a more inclusive corporate culture—one that may help retain top talent during its **most crucial product cycle to date**.





Vietnam

Gemadept raises \$2.4m through latest Esop to strengthen working capital

Hai Yen in *The Investor* reports that Vietnam's largest port operator, Gemadept, has raised VND63bn (£1.96m) through its latest Employee Stock Ownership Plan, aimed at boosting working capital.

The company issued 6.3 million shares at VND10,000 (£0.31) each between October 1 and 2, with all shares subject to a two-year lock-up period, gradually unlocking over the following two years.

Of the 101 employees eligible, nine top executives—including chairman Do Van Nhan, vice chairman Chu Duc Khang, and ceo Nguyen Thanh Binh—jointly purchased 918,000 shares worth around VND9.39bn (£290,000). The Esop price stands

significantly below Gemadept's market level, as shares closed at VND66,500 (£2.06) on Tuesday, roughly six times higher than the issue price. For the first half of 2025, Gemadept reported VND2.77trn (£86m) in revenue, up 28.6 percent, and VND1.27trn (£39m) in pre-tax profit, up 3.3 percent.

The company also increased its stake in ICD Nam Hai JSC to 79 percent, further consolidating its logistics network. With Gemalink, one of Vietnam's largest deep-water ports, and nationwide operations spanning dry, river, and seaports, Gemadept is strengthening its leading position in the country's rapidly **expanding logistics and maritime sectors**.

EMPLOYEE OWNERSHIP NEWS

Aberdeen business with £40m sales to be controlled by its workers

Space Solutions has made what founder Steve Judge calls a "futureproofing" move by transferring the design and fit-out firm into employee ownership. According to *Aberdeen Press and Journal*, the consultancy, which has 166 employees, has placed 100 percent of its shares into an Employee Ownership Trust.

Mr Judge, who helped found the business in 1997, described the transition as the next natural step in its journey. "Transitioning to employee ownership is an exciting new chapter in the Space Solutions story," he said. "We considered several options to **futureproof the company and protect its success** for our employees and customers."

Mr Judge will remain in position as founder and managing director, alongside owner and directors Kenny Cope and Mark Wilson.

EOT Roundup

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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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