

**Present:**

Fiona Bell (Chairman)	RM2	FB
Jared Cranney (Deputy Chairman)	ISG plc	JC
Michael Landon (Deputy Chairman)	MM & K Limited	ML
Barbara Allen	Stephenson Harwood	BA
Emma Bailey	Fox Williams LLP	EB
Martin Benson	Baker Tilly	MB
Karen Cooper	Osborne Clarke	KC
Liz Hunter	Mazars LLP	LH
Colin Kendon	Bird & Bird LLP	CK
Graham Muir	Nabarro LLP	GM
Jennifer Rudman	Equiniti	JR
Nicholas Stretch	CMS Cameron McKenna	NS
Mia Thursby-Pelham	PWC	MTP
Nick Wallis	Smith & Williamson LLP	NW
Tim Ward	Quoted Companies Alliance	TW
Maria Gomes (minutes)	Quoted Companies Alliance	MG

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**ACTIONS**

**1. Apologies**

Apologies were received from Danny Blum, Paula Hargaden, Caroline Harwood, Andrew Quayle, Robert Postlethwaite, Stephen Chater, Matthew Ward and Kate Jalbert.

**2. Minutes of last meeting (18 September 2014):**

The minutes were approved.

**3. Current Issues/Consultations**

• **Autumn Statement**

It was noted that the Autumn Statement abandoned the proposals raised in the consultations on the Office of Tax Simplification review of unapproved share schemes: marketable security and on a new employee shareholding vehicle (to which the QCA submitted a response).

FB said that this was because of a lack of perceived demand, as well as some perceived problems and complexity regarding these proposals. It was agreed that we should look at the outcome of these consultations and find out the reason why the proposals were dropped before deciding whether there would be next steps for the Group to take on this. **[The outcome has in the meantime been published and circulated to the Group for information.]**

Regarding the announcement by HMRC not to progress the OTS's proposal to establish the concept of an employee shareholding vehicle to facilitate the holding and transfer of shares used for traditional tax advantaged and non-tax advantaged employee share schemes, FB pointed out that

the alternative of using treasury shares for share plans had some practical difficulties, including the IMA's requirement that treasury shares should count towards dilution limits.

FB suggested that, since we will have Andrew Ninian of IMA (Director of Corporate Governance and Engagement) coming along to our meeting in February, it would be useful to put together comments on key concerns with Treasury shares in preparation for the meeting. She kindly volunteered to circulate a first draft to the Group.

**FB**

The Group agreed that corporate members of the QCA should also be invited to attend this meeting.

**KJ/MG**

FB also suggested that the treasury shares issue should be discussed separately with the FCA regarding the Listing Rules.

FB commented that the QCA Budget Representations 2015 have been submitted ahead of the Autumn Statement, with updated content but in line with our representations of previous years. FB explained that the Autumn Statement did not announce changes for the areas that we had proposed. The Group commented on the B Share Schemes consultation and possible implications it would have for the QCA members.

JR mentioned that more administrative work is being caused by the FATCA and OECD reporting requirements. Data protection concerns also arise, since companies must be able to keep all the information regarding international tax numbers of all their employees. This involves greater costs for employers and has an impact on employees.

- **Guidance Notes on Share Schemes for QCA Members**

FB explained that she was trying to develop a better way of providing share scheme information to members, since the technical details change regularly. One possibility would be to issue leaflets on individual topics instead of a comprehensive booklet.

The Group suggested that it would be helpful to match the product with the demand, assessing the needs of those who purchase QCA guides ahead of developing contents and format. FB emphasised that the focus should be to provide an educational tool for organisations, to help them become familiar with share schemes. Developing training sessions could also be considered.

#### **4. Communications/Future Meetings**

- **IMA Principles of Remuneration (for information only)**

This was not discussed except in the context of treasury shares mentioned above.

- **EC study on the Promotion of Employee Ownership and Participation (for information only)**

This was not discussed.

- **HMRC guidance on avoidance arrangements and disguised remuneration in National Insurance Manual (for information only)**

This was not discussed.

- **Policy Update – October 2014 (for information only)**

This was not discussed.

- **Invitations to Future Meetings**

The Group agreed to invite a representative from AIM or the London Stock Exchange to discuss share scheme issues. Another suggestion was to ask someone from the FCA to discuss listing rules (as mentioned above).

**MG/Chris Stapeley**

## 5. AOB

JR mentioned that quite a lot of companies had not yet registered their share plans; the deadline is July 2015 but it can take a while to get the registration complete. She asked whether the QCA could ask HMRC how many plans have now been registered online.

**MG/KJ**

The Group agreed that it would be helpful to use the meeting of this Group originally scheduled for April to discuss the technical information about the online completion of the new annual returns forms with someone from HMRC.

**MG/Chris Stapeley**

FB mentioned that HMRC are still welcoming comments on problems companies are facing and that we could put together some questions to send in if necessary.

NS mentioned that the QCA Remuneration Committee guide fills a gap and its revision in 2015 will be very welcome. MG added that the Working Group will start revising the guide in January 2015 and thanked everyone who volunteered to participate.

JR alerted the Group to an issue regarding share gifts to charity on residuary amounts left in a SIP. An alternative was returning the residual sums to individuals as trivial benefits in kind payments on which is currently subject to consultation.

## 6. Date of Next Meeting:

17.30, Thursday 12 February 2015 with Andrew Ninian, Director of Corporate Governance and Engagement at the IMA (venue: Baker Tilly 25 Farringdon Street London, EC4A 4AB (Host: Martin Benson))

## 7. Actions

Action	Person	Timetable
Circulate call for views on key concerns with treasury shares	<b>FB</b>	Ahead of next meeting (12.02.14) <b>[Done 5.12.14]</b>
Invite corporate members of the QCA to attend the next meeting	<b>KJ/MG</b>	Ahead of next meeting (12.02.14)
Invite AIM or the London Stock Exchange and FCA to discuss the AIM and listing rules	<b>MG/Chris Stapeley</b>	ASAP
Inquire on online registration with HMRC	<b>MG/KJ</b>	ASAP
Reschedule Share Schemes Expert Group meeting of April 2015	<b>MG/Chris Stapeley</b>	ASAP