

**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
Danny Blum	Eversheds LLP	DB
Sara Cohen	Lewis Silkin	SC
Karen Cooper	Osborne Clarke	KC
Mark Gearing	Field Fisher Waterhouse	MG
Caroline Harwood	Burges Salmon	CH
Liz Hunter	Mazars LLP	LH
Colin Kendon	Bird & Bird LLP	CK
Jennifer Rudman	Equitini	JR
Nick Wallis	Smith & Williamson Limited	NW
Maria Gomes (minutes)	Quoted Companies Alliance	MG

**In attendance:**

Anne Smith	HM Revenue & Customs	AS
Chris Chapple (in place of Andy Goodman)	BDO LLP	CC
David Reuben (in place of Robert Postlethwaite)	Postlethwaite & Co	DR
Rebecca Servian (in place of Mia Thursby-Pelham)	PWC	RS
Louise Brennan	Next Fifteen Communications Group plc	LB
Rachel Elias-Jones	Bango PLC	RE
Peter Fitzwilliam	The Mission Marketing Group PLC	PF
Severine Garnham	Fuller, Smith & Turner plc	SG
Martin Keylock	Velocys plc	MK
Sara Mace	Personal Group Holdings plc	SM
Ellen Smith	Carr's Milling Industries PLC	ES

---

**ACTIONS**

**1. Welcome to Anne Smith, HMRC, to discuss self-certification of share schemes**

FB welcomed AS and everyone introduced themselves.

AS provided an overview of the new online filing and self-certification of share schemes system (which went live on 7 April 2014), and carried on answering questions from the group. AS mentioned that HMRC has been able to solve most technical problems so far and will continue working on improving the system.

AS provided the group with useful information:

- You can use any PAYE reference to register but make sure it is an active number – many dormant numbers were weeded out last year. If you are not sure please call the Employee Share Schemes Helpline and they will be able to confirm if it is active or re-activate it.
- When registering, you receive a registration reference via email, but this is only a receipt and does not mean that the plan is properly registered. You have to log back in (registration will normally take one day to be successful if there is no problem with validation) and access ‘view account’ to see the registration number; if no number is showing within 7 days you will need to register again as the registration has been unsuccessful. Note that you will not receive an email notifying you that it has been unsuccessful. Validation will only be possible if the number is active.
- The plan name should be meaningful, preferably including the type of scheme in the title (e.g. ‘Anne Smith plc unapproved’ would be a good example; ‘form 42’, or including the word ‘approved’ would not be deemed meaningful). The name should be 140 characters (including spaces) maximum.
- Each tax advantaged plan must be registered separately – even old plans no longer used. If the plan is no longer in use you can set up a ‘final event date’ which will cancel it for the next year, for example, but you still need to do a return for the year in which it is cancelled.
- Unapproved plans can be batched together and registered as a single plan; if registered separately this will mean that a separate return must be done for each one of those this year – even if there is separate notification of cancellation.
- Old unapproved plans where there is no likelihood of a chargeable event can be ignored even if previously notified to HMRC.
- For plans that were approved, they are taken as having been operating within the rules since inception and HMRC will not enquire into the plan (even if policy for approvals changed subsequently).
- If using this opportunity to amend plans, take care that there no extra rights are given.
- Changing the rules to allow 20 day before/after change of control – this is considered to be a period of grace – a guidance note would be issued about this and AS recommended we do not push this point as we might then get a worse position.
- For a CSOP, if there is a change of control that would disqualify the plan – report the change to the key feature as a final event with a date and that should avoid a penalty for a change to this key feature.
- They are re-writing the ESSU manual and will be publishing guidance towards the end of the summer.
- Now that EMI1 is not needed and should not be used the working time declaration can be included within the option agreement – this must be signed and a copy given to the participant to keep within 7 days. Although it says the company should keep the original it is sufficient for the company to retain a copy. This declaration can be signed electronically and does not need to include NI number details. There is no template for this declaration as they allow flexibility.
- The return template forms are issued – HMRC welcomes feedback. The templates were published on their website (on the ‘what’s new’ section). They include new questions – e.g. for a SAYE there is a requirement to say if there was a sale at the time of exercise. The questions (i.e. the information required) will not change, but the format or wording might.

- Purpose test plans – there was a confusing statement in the Bulletin: there is no need to have a statement but if it is there then when the next amendments are made there will need to be a change to update the purpose if it does not comply.

FB thanked AS for her presentation and AS left the meeting.

## **2. Apologies**

Apologies were received from Andrew Quayle, Tim Ward and Kate Jalbert.

## **3. Minutes of last meeting (6 February 2014):**

The minutes were approved.

ML queried if the QCA had followed up on one of the questions from our members regarding valuation of shares. FB mentioned that the group did not think that this was relevant for AIM companies. FB asked MG to check if someone is attending the valuation forum.

**MG**

## **4. Current Issues/Consultations**

- **FRC – Proposed Revisions to the UK Corporate Governance Code (RD: 27 June 2014) – with Corporate Governance Expert Group**

For the proposed changes to the UKCGC, the group agreed that the Share Schemes Expert Group should provide input to the response currently being prepared by the Corporate Governance Expert Group. FB asked the group to circulate their comments to be included in our submission.

**ALL**

- **OTS – Competitiveness review: initial thoughts and call for evidence (RD: 30 June 2014) - With Tax Expert Group**

MG explained that the Tax Expert Group will be drafting the response and that it will be circulated for comments to the Share Schemes Expert Group.

**MG/ALL**

- **Budget Statement - 19 March 2014**

**- Finance Bill - Working Group?**

FB asked if there would be cause for setting up a working group on the Finance Bill. The group agreed that there are no issues in particular that should be addressed and that there is no need to set up a working group at this stage.

**- Articles/communications to members on measures in Budget**

This was not discussed.

## **5. Communications/Future Meetings**

- **Review of the QCA Guide *Rewarding Enterprise III – Guidance for Companies on Employee Share Schemes***

FB mentioned that this guide should be updated in the short term.

- **Policy Update – 28 April 2014 (for information only)**

This was not discussed.

- **HMRC Employment-Related Securities Bulletin (for information only)**

This was not discussed.

- **European Commission Communication on Long-Term Financing of the European Economy (for information only)**

This was not discussed.

- **Invitations to Future Meetings**

This was not discussed.

- **Membership Drive**

This was not discussed.

## 6. AOB

The group commented on the impact of the revised and recently published AIM Rules, namely Rule 26 which requires companies to provide a corporate governance statement. FB raised the point that if a company adopts the UKCGC and does not get shareholder approval to adopt or amend a plan they might need to explain on their website. FB asked MG if the Corporate Governance Expert Group was planning to analyse this. MG explained that that group was due to meet the following week and that their conclusions on this subject could be shared with the Share Schemes Expert Group.

**MG**

FB asked if anyone would volunteer to draft a short report on the Finance Bill and the work of this group, including comments on self-certification, to inform broader membership on what we are up to. ML and JR kindly agreed to draft the report together and send it to MG for circulation.

**ML/JR/MG**

## 7. Date of Next Meeting:

17:30 Thursday 4 September 2014 (TBC – date may be changed)

## 8. Actions

Action	Person	Timetable
Confirm if someone is attending the Valuation Forum	MG	ASAP
Send comments to MG on the UK Corporate Governance Code Consultation	ALL	ASAP (before RD: 27 June)
Circulate the QCA draft response prepared by the Tax Expert Group to the OTS consultation and submit	MG/ ALL	ASAP (before RD: 30 June)

comments to MG		
Inform the group on the Corporate Governance Expert Group's comments on AIM Rule 26	MG	ASAP
Draft a short report on the Finance Bill and the work of this group and send to MG for circulation	ML/JR/MG	ASAP