

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
Andy Goodman	BDO LLP	AG
Fleur Benns	Bird & Bird LLP	FB
Andrew Quayle	Olswang	AQ
Nicholas Stretch	CMS Cameron McKenna	NS
Mia Thursby-Pelham	PWC	MTP
Tim Ward	Quoted Companies Alliance	TW
Maria Gomes (minutes)	Quoted Companies Alliance	MG

ACTIONS**1. Apologies**

Apologies were received from Danny Blum, Karen Cooper, Rory Cray, Amanda Flint, Amanda Stapleton Liz Hunter, Robert Postlethwaite, Stephen Chater, Jennifer Rudman and Kate Jalbert.

2. Minutes of last meeting (15 May 2014):

The minutes were approved.

3. Current Issues/Consultations**• HM Treasury/HMRC – New Employee shareholding vehicle consultation**

FB noted that the proposed new employee shareholding vehicle applies primarily but not solely to unquoted companies; for that reason it would be important for the QCA to submit a response.

AG volunteered to take a look at the consultation and to draft a response bearing in mind which problems would mostly affect small and mid-size quoted companies.

AG**• HMRC – OTS Review of unapproved share schemes: marketable security consultation**

FB mentioned that there are some issues to consider regarding this consultation. One problem is that some securities are very lightly traded in some instances and it becomes difficult to rely on the market price/market value. The main problem is that there can be changes at tax point when the security is full value but becomes marketable again. This will affect mostly small listed companies which will inevitably make mistakes when drafting share plans and be affected by future uncertain changes, also in terms of liquidity. The Group considered that not foreseeing a transition period is also worrying – it leaves out situations where shares are prohibited from transfer and therefore cannot be marketable.

The Group agreed that the changes proposed seem unnecessarily complicated and could be out of touch with what happens in practice. FB agreed to draft a general response.

FB

- **HMRC – Internationally mobile employees and earnings related securities consultation**

The Group agreed that these changes allow clarity and that we should draft a general response supporting the changes. MG agreed to draft and circulate the response.

MG

4. Communications/Future Meetings

- **QCA Budget Representations 2015**

ML mentioned that CSOPs have not kept up with remuneration practices, which have a great potential for smaller companies as they are more flexible. At the moment these cannot grant options at a discount. It would be helpful to take two features from Entrepreneurs' Relief and CSOPs would become much more popular for smaller companies. ML volunteered to draft a paragraph on this for the QCA 2015 Budget Representations.

ML

The Group agreed to add ER to the agenda of our next meeting to be discussed in depth.

MG

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

ML presented his apologies to the Group on not having been able to complete the note on the Finance Bill. He asked what other group members' experience has been so far with the new HMRC self-certification system. FB mentioned that she knows of some problems and that it is very difficult to obtain help from HMRC. She added that real problems could come after 6 April 2015. FB asked whether there could be something the Group could do for QCA members, such as prepare a presentation or a guidance note. FB noted that one of the reasons why it is challenging to update the QCA Guide on Share Schemes is because things keep changing and that separate leaflets could be easier to manage.

TW mentioned that it is important to have a guide with what does not change in the Annual Report, which can then be complemented with leaflets. TW mentioned the value of the guide, which is not produced in a similar way by anyone else.

FB agreed that this should be given further consideration; she may ask members of the Expert Group with experience in share plans to draft something.

FB

FB asked the group whether they had any comments on the published revised corporate Governance Code. The changes should be incorporated into the Share Schemes Code. The Group mentioned that they frequently recommend the QCA Code to their clients.

- **BIS Response on amending the rule against perpetuities (for information only)**

This was not discussed.

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

This was not discussed.

- **Invitations to Future Meetings**

The Group agreed that it would be helpful to invite HMRC again to our meeting in April 2015.

MG/Chris Stapeley

5. AOB

No further discussion.

6. Date of Next Meeting:

7. Actions

Action	Person	Timetable
Draft and circulate response to HM Treasury/HMRC – New Employee shareholding vehicle consultation	AG/KJ	ASAP (before due in date: 10 October 2014)
Draft and circulate response to HMRC – OTS Review of unapproved share schemes: marketable security consultation	FB/MG	ASAP (before due in date: 10 October 2014)
Draft and circulate response to HMRC – Internationally mobile employees and earnings related securities consultation	MG	ASAP (before due in date: 16 October 2014)
Draft a paragraph on CSOP/ER for the QCA 2015 Budget Representations	ML	ASAP
Add ER to the agenda	MG	Next meeting
Consider the review of the QCA Guidance for Companies on Employee Share Schemes	FB	Next meeting
Invite HMRC to our April 2015 meeting	MG/Chris Stapeley	ASAP