



**Meeting of the QCA Share Scheme Committee**

Thursday 24 May 2012 at 5:30pm

Held at CMS Cameron McKenna LLP, Mitre House, 160 Aldersgate Street, London  
(in attendance Tom Rollinson, Head of Technical Employees Shares & Securities Unit of HMRC)

**Present:**

Nicholas Stretch (Chairman)	NS
Fiona Bell (Deputy Chairman)	FB
Barbara Allen	BA
Martin Benson	MB
Danny Blum	DB
Jared Cranney	JC
Matthew Findley	MF
Phillip Fisher	PF
Stephen Goldstraw	SG
Martin Griffiths	MG
Colin Kendon	CK
Michael Landon	ML
Nick Wallis	NW
Jacques Sultan (Minutes)	JS
Tim Ward	TW

**In Attendance:**

Tom Rollinson	TR
Tony Stirling	TS
Alison Woodhouse	AW

**1. Welcome to Tom Rollinson, Head of Technical Employee Shares & Securities Unit of HMRC, to discuss Approved Share Schemes (and colleagues, Tony Stirling & Alison Woodhouse)**

NS welcomed the guests to the committee meeting.

NS noted that the discussions (attached) would be based on the questions the committee submitted to HMRC before the meeting. NS began by discussing the question on valuation and the VAL 231. TS noted that the HMRC would like a fresh VAL 231 on each occasion as it is the best way to get an accurate valuation. It is through the VAL 231 that they are able to provide possible exit routes and speed up the process.

FB put forward the second question, regarding a specific issue with PAYE. FB noted that there have been difficulties in dealing with the PAYE office. AW noted that all details are on the HMRC website, but AW noted that she will go back and check the system and look into that specific client.

FB noted the third question submitted was from her again. FB noted that this question was on guidance. AW noted that HMRC is attempting to bring its guidance all together and will create a clearer position. AW noted that at present, there have been issues with the registrar and the software used. FB gave her examples of poor guidance.

DB discussed question four, based on the effect of the P45. DB gave example of the difficulties found with having to interact with the obligations with P45. One example had been where an employee left the company with an option and had issues with the tax rates. DB sought clarity on the trigger for this, either the P45 or the date. AW noted that the P45 is the trigger. When the P45 has been used, it is necessary to use OT. When it is reasonable to use the P45, needs to be applied within a reasonable time. AW noted that it would be unreasonable to use after any tax and other pay payments had been taken.

DB then discussed question six of the prepared questions. DB noted that during a transfer of business, sometimes the P45 is applied. DB queried what rate is applied when options have been exercised. AW had

been unsure and asked for examples to be sent through after meeting. DB agreed to send some examples through.

**DB/JS**

There was then a general discussion regarding PAYE relief.

The HMRC will agree to look over the guidance in relation to questions 5-7, as plenty of others had expressed concerns on this matter also.

Reverted back to the PAYE issues and discussion on how quickly tax is applied under a SIP. The committee discussed when companies should pay the tax on the revenue. AW noted that 14 days after the tax month is the limit of reasonableness. NS noted that there needs to be more guidance on this issue.

TW thanked the guests and the three left the meeting.

## **2. Apologies**

Apologies were received from Christopher Connors, Karen Cooper, John Daughtrey, Colum Spillane, Peter Mossop, Robert Poslethwaite, Stephen Chater, Kate Jalbert and Paul Twist.

## **3. Minutes of last meeting (9 February 2012)**

The minutes of the last meeting were approved.

## **4. Current Issues**

- OTS's survey of companies that use unapproved employee share schemes (Response Date: 8 June 2012)

FB noted that the survey released by the OTS had been to see how companies would respond to unapproved employee share schemes. The OTS felt that there were a huge range of possibilities to choose from. The survey was long and companies need to respond. MK queried whether it was a scheme for information only. However, FB noted that this was attempting to discuss the company law issues.

- AIM Rules and Share Schemes Issues

NS noted the AIM rules discussion with London Stock Exchange concerning closed periods. NS noted that issues had arisen and that there has been difficulty with receiving advice. NS felt that there is no definitive guidance.

MF noted that the QCA should be working further with AIM on the closed period rules. TW noted that other QCA committees have the same concerns and have raised this issue with the AIM team. TW noted that the QCA may need to suggest a best practice model. FB noted that it could be a benefit to meet them and put the issue in context. NS agreed and suggested inviting them to the meeting.

**JS/Chris Stapeley**

- Update on Employment –Related Securities & Shares Forum

NS gave an update on the recent RSSF meeting. There was general conversation on that meeting.

- QCA Conference: Engineering Growth for Small and Mid-Cap Companies – 27 June 2012

TW presented details of the QCA Conference, and encouraged all committee members to attend.

**ALL**

**5. Communications/Future Meetings**

- **Invitations to Future Meeting**

There was a general discussion on Sarah Anderson from the OTS to discuss unapproved share schemes. FB felt that Sarah Anderson would gain more from the QCA if she were to meet corporate members and not the committee. JS noted that he would speak to Kate Jalbert and Chris Stapeley and arrange if this would be possible.

**JS/Kate Jalbert/Chris Stapeley**

**6. AOB:**

TW noted that due to the recent closure and then sale of Plus Market, the QCA had sent the Chancellor and Vince Cable letters highlighting the need for legislation to enhance the primary equity markets.

NS noted that the recent QCA Remuneration Committee Guide launch had been regarded as a success. TW noted that the guide is selling well and that the launch event worked and receiving plenty of positive response.

**7. Date of next meeting:**

**Thursday 6 September 2012 (venue: CMS Cameron McKenna)**

**8. Actions**

Meeting with Sarah Anderson at the OTS	JS/KJ/CS	ASAP
Register for the inaugural QCA Conference	ALL	27 June 2012
Invitation of the AIM team to talk to the committee	JS/CS	ASAP
Send the further question through to HMRC regarding PAYE	DB/JS	ASAP