

Held on: Wednesday 28 September 2016 at 9.00am
Grant Thornton, 30 Finsbury Square, London, EC2A 1AG

Present:	Neil Pamplin (Chair)	Grant Thornton UK LLP	NP
	Paul Fay	Crowe Clark Whitehill LLP	PF
	Michael Bell	Osborne Clarke	MB
	Tim Crosley	Memery Crystal LLP	TC
	Holly Edwards	Frontier Developments PLC	NA
	Catherine Hall	Mazars LLP	CH
	Ray Smith	Clyde & Co LLP	RS
	Tim Ward	Quoted Companies Alliance	TW
	Maria Gomes	Quoted Companies Alliance	MG
	Lisa Vainio	Quoted Companies Alliance	LV
	Callum Anderson (minutes)	Quoted Companies Alliance	CA
In attendance:	Wyndham North	HM Treasury	WN
	Fraser Eccles	HM Treasury	FE
	Emma Maguire	HMRC	EM
	Claire Noyce	Hybridan LLP	CN

ACTIONS

1. Welcome to Wyndham North and Fraser Eccles, HM Treasury, and Emma Maguire, HMRC

NP welcomed WN, FE and EM to the meeting.

WN thanked the group for the draft budget representations and provided feedback on the document. He explained that in order to be effective budget representations should clearly state the broader vision behind specific policy proposals and set out the economic benefits of each policy proposal, including any information regarding costs to the Exchequer.

WN gave an overview of the EIS and VCT venture capital schemes. He noted the recently revised guidance published by HMRC and emphasised that support needs to be commercially driven and not just geographically. Regarding Entrepreneurs' Relief, WN acknowledged that there could be situations where founding shareholders could see their shareholding diluted by the introduction of external investors.

The Expert Group and WN discussed the Government's ability to increase the EMI gross assets test threshold and employee limit in the context of present EU state aid rules. WN noted that the Government will need to re-seek approval for EMI in 2018 when the current rules expire but due to recent political developments it was unlikely that the Government would try to negotiate an increase before 2018.

FE explained that HM Treasury is keen to engage with relevant stakeholders over the coming months to discuss how to improve the effectiveness of tax-advantaged share schemes, such as CSOPs, SIPs and SAYE. TW invited FE to attend a QCA Share Schemes Expert Group meeting to discuss this. TC noted that many share schemes would benefit from simplification.

WN solicited the group's views on current market conditions. TW mentioned that the QCA had recently issued its Small and Mid-Cap Sentiment Index survey, to monitor the sector's views on the UK economy's prospects. The results are expected by mid-October

WN, FE and EM left the meeting.

2. Apologies

Apologies were received from Neil Armstrong, Nick Burt, Sam Dames, Daniel Hawthorne, Richard Jones, Mark Joscelyne, Shofiq Miah, Dan Robertson and Vijay Thakrar.

3. Minutes of last meeting (Tuesday 28 June 2016)

The minutes were approved.

4. Consultation Papers/Announcements

	Item	Action by TEG
a)	<p>QCA 2017 Budget Representations</p> <p>The Expert Group agreed that it would redraft the proposals regarding Entrepreneurs' Relief, focussing on how the relief could be amended, as well as aligning the treatment of EMI with other share option schemes.</p> <p>TC also suggested refining proposals regarding being able to dispose earn-outs within Entrepreneurs' Relief.</p> <p>The Expert Group resolved to provide more detail to proposals regarding introducing a binding ruling process and allowing the costs of raising equity to be tax deductible.</p>	<p>MG / CA to redraft and finalise and circulate final draft for comments.</p> <p>[This has been done]</p> <p>ALL to comment on the final draft of the Budget Representations.</p> <p>[This has been done]</p> <p>CA to submit final Budget Representations by 14 October 2016.</p> <p>[This has been done]</p>
b)	<p>HMRC Consultation – Simplifying the PAYE Settlement Agreement (PSA) process</p> <p>The Expert Group agreed that it was not necessary to respond to this consultation.</p>	None to note.
c)	<p>HMRC Consultation – Making Tax Digital – Bringing business tax into the digital age</p> <p>The Expert Group agreed that it was not necessary to respond to this consultation.</p>	None to note.
d)	<p>HMRC Consultation – Making Tax Digital – Tax administration</p> <p>The Expert Group agreed that it was not necessary to respond to this consultation.</p>	None to note.
e)	<p>HM Treasury Consultation – Reforms to the taxation of non-domiciles</p> <p>The Expert Group agreed that it was not necessary to respond to this consultation.</p>	None to note.

5. Communications and Future Meetings

	Document	Action by TEG
a)	Guest invitations to future meetings The Expert Group suggested that it would like to meet with John Whiting's successor at the Office for Tax Simplification (OTS), as well as Jane Ellison MP (the new Financial Secretary to the Treasury).	CA to invite guests to future meetings.
b)	Policy Update (February 2016) This was not discussed.	None to note.
c)	2017 Expert Group Meetings This was not discussed.	None to note.

6. Next Meeting

The Expert Group decided to postpone the next meeting until after the 2016 Autumn Statement.

Wednesday 30 November 2016, 09:00 – 10:30 (Grant Thornton UK LLP, 30 Finsbury Square, London EC2P 2YU).