

Present:

Fiona Bell (Chairman)	RSM	FB
Barbara Allen	Stephenson Harwood	BA
David Daws	Blake Morgan	DD
Emma Bailey	Fox Williams LLP	EB
Andy Goodman	BDO LLP	AG
Caroline Harwood	Burges Salmon	CH
Liz Hunter	Mazars LLP	LH
Stuart James	MM & k Limited	SJ
Samantha Lenox	PricewaterhouseCoopers LLP	SL
Graham Muir	Nabarro LLP	GM
Isabel Pooley	Grant Thornton UK LLP	IP
Andrew Quayle	Olswang	AQ
Jennifer Rudman	Equiniti	JR
Nicholas Stretch	CMS Cameron McKenna LLP	NS

In Attendance:

Dave Bareham	Smith & Williamson LLP	DBA
Nora Maxwell	Mishcon De Reya	NM
Fraser Eccles	HM Treasury	FE
Wyndham North	HM Treasury	WN
Benjamin Martin	HMRC	BM
Hasmukh Dodia	HMRC	HD

1. WELCOME TO FRASER ECCLES & WYNDHAM NORTH, HM TREASURY, AND BENJAMIN MARTIN & HAMUKH DODIA, HMRC

FB welcomed FE, WN, BM and HD to the meeting.

The Expert Group noted that the online system for submitting returns was functioning more effectively in its second year. It also noted that advisers are required to make disclosures on behalf of clients.

The Expert Group and HD discussed the success of being able to register share plans online but noted that share plans were often incorrectly registered as CSOPs when non-tax advantaged, etc. HD commented that companies asked but HMRC was unable to give advice with regards to whether a share scheme should be registered as non-tax advantaged or tax advantaged. Therefore there is no immediate solution to this problem.

He added that HMRC was continuously seeking to improve the usability of its online systems, and recommendations were being considered, subject to cost and value for money.

HD, BM and the Expert Group discussed the policy proposal set out in the QCA Budget Representations (send to HMRC that day) regarding the ability of registering share schemes through an agent, which would reduce some of the errors.

The Expert Group and WN discussed the QCA Budget Representations to match the EMI limits with those for R&D Credits and 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. He added that, due to recent political developments, it was unlikely that the Government would try to negotiate an increase before 2018.

WN noted that 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.

The Expert Group and FE also discussed the QCA Budget Representations for relaxing some of the requirements of CSOPs, as well as the general uptake of tax-advantaged share schemes in recent years. The Budget proposals concerning entrepreneurs’ relief for all employees was discussed but the costs of such a relief were a hurdle.

FB thanked FE, WN, BM and HD for attending the meeting.

2. APOLOGIES

Apologies were received from Stephen Chater, Sara Cohen, Rory Cray, Stephen Diosi, David Firth, Philip Fisher, Michael Landon, Shofiq Miah, Robert Postlethwaite, Matthew Ward and Tim Ward.

3. MINUTES OF THE LAST MEETING (14 July 2016)

The minutes were approved.

4. CURRENT ISSUES

	Document	Action
a)	<p>Update on QCA Share Plans Booklet</p> <p>This was not discussed.</p>	None to note.
b)	<p>Mandatory Gender Pay Gap: bonus pay and share based remuneration – update</p> <p>FB explained that she and EB had held a conference call with the Government Equalities Office (GEO) to discuss bonus pay and share based remuneration with regards to the Mandatory Gender Pay Gap Reporting legislation.</p> <p>FB noted that, regarding employment related securities, gains from tax-advantaged schemes that are only taxable as a chargeable gain and the grant of an option (not being taxable) will be excluded from the reporting. She noted that although this simplifies the information gathering and reporting process for companies, significant employment related gains could be omitted from the reporting.</p> <p>CA mentioned that the GEO would seek to consult the Expert Group on the contents of its draft non-statutory guidance due course.</p>	None at this stage.

5. COMMUNICATIONS/FUTURE MEETINGS

	Document	Action
a)	Policy Update – August 2016 (for information only) This was not discussed; circulated for information only.	None to note.
b)	Invitations to future meetings This was not discussed.	None to note.
c)	2017 Expert Group meetings This was not discussed; circulated for information only.	None to note.

6. AOB

FB suggested sending a letter to the Department for Business, Energy and Industrial Strategy (BEIS) requesting that they remove the requirement of an individual to pay at least the nominal value for shares under award for employee share schemes. **CA** agreed to identify relevant BEIS contact and liaise with **FB** in this regard.

7. Date for next meeting:

Thursday 2 February 2017, 4pm (Venue: RSM, 25 Farringdon Street, London, EC4A 4AM (Host: Fiona Bell))