

held on Wednesday 28 May 2014 at 9:00am
at Grant Thornton, 30 Finsbury Square, London EC2P 2YU

Present:	Neil Pamplin (Chair)	Grant Thornton UK LLP	(NP)
	Paul Fay	Crowe Clark Whitehill	(PF)
	Jaspal Pachu	Fox Williams LLP	(EB)
	Nick Burt	Nabarro LLP	(NB)
	Samantha Dames	CMS Cameron McKenna LLP	(SD)
	Tim Davies	Mazars LLP	(TD)
	David Gubbay	Dechert LLP	(DG)
	Richard Jones	BDO LLP	(RJ)
	Natasha Kaye	Olswang	(NK)
	Adam Singer	Bird & Bird LLP	(AS)
	Tim Ward	Quoted Companies Alliance	(TW)
	Maria Gomes (minutes)	Quoted Companies Alliance	(MG)

ACTIONS

1. Apologies

Apologies were received from Michael Bell, Christopher Connors, Tim Crosley, Andrew Prowse, Angela Savin, Vijay Thakar, Amy Underwood and Kate Jalbert.

2. Minutes of last meeting (2 April 2014)

The minutes were approved. The group asked MG to circulate the 2004 list on sundry disallowances mentioned in the minutes.

MG

3. Consultation Papers/Announcements

- **Budget 2015 – Tax deductibility for equity issuance costs**

NP explained that we have momentum to continue the work developed for the 2014 Budget representations. The invitation to meet with HM Treasury in early March to discuss our tax deductibility for equity issuance costs opened the discussion and HM Treasury have encouraged the submission of a more structured and detailed proposal for next year.

TW added that Roland Phillips from HM Treasury has thanked us for our proposals and provided us with some key aspects that we should answer when submitting our next proposal. These key aspects, as well as the issues addressed at the meeting, have been summarised and will need to be looked at when drafting the 2015 Budget representations.

NP mentioned that HM Treasury is very concerned with the effects that a tax relief measure for equity issuance costs can have, namely regarding the possibility of increase in advisory fees. PF suggested that this concern could be alleviated by restricting the measure to 10% of funds raised.

The group agreed that the measures we support must be simple, consistent and highlight, through a well-structured cost-benefit analysis, their potential influence in the decision to join the market and generate growth. NP suggested that we compare recent London Stock Exchange figures on IPOs (ie, new money raised) against offers for subscription to existing shareholders.

NP (with Adam Bryson) PF and SD kindly volunteered to do the research and redraft the Budget representations on the costs of raising equity being tax deductible. NP advised that we should have a draft ready before our next meeting (3 July).

NP/Adam Bryson/PF/SD

The group agreed that it would also be important to conduct similar in-depth analysis regarding our representations on entrepreneurs' relief. TD, RJ and JP kindly agreed to revisit this in view of possibly refreshing the cases and statistics. NP advised that we should have a draft ready before our next meeting (3 July).

TD/RJ/JP

NP mentioned that it is important to coordinate our work with our Share Schemes Expert Group. MG agreed to inform Fiona Bell on the work of this group.

MG

TW added that we could send our representations to Nigel Mills MP (who will be attending our next meeting on 3 July).

MG

- **OTS Competitiveness review: initial thoughts and call for evidence**

The group agreed to comment on a response prepared by the Share Schemes Expert Group.

ALL

- **EIS – Anomaly in legislation affecting companies coming to market (Averil Finn and others v HMRC)**

TW explained that this case was sent to him by Vijay Thakrar, who pointed out that there are unnecessary difficulties for companies to qualify for and retain the benefits of the EIS in the case of coming to market by way of reverse takeover. NK clarified that this situation is not surprising as the rules are contradictory. She suggested that there could have been a drafting flaw which caused the consequences arising from the possibility of two EIS companies merging to have been overlooked.

TW suggested that this topic could be added to our representations due to its potential effect of limiting liquidity. NK kindly agreed to draft a few points on this topic.

NK

4. Communications and Future Meetings

- **Policy Update (April 2014)**

This is for information only and was not discussed.

- **Letters between Exchequer Secretary and OTS: partnerships and employee benefits reviews**

This is for information only and was not discussed.

- **Invitations for future meetings**

TW mentioned that it would be important to invite someone from the Labour Party to come and speak to the group. JP kindly offered to contact Labour. PF suggested that we also invite someone from the LibDem Party.

[**Post-meeting note:** we have been in contact with Shabana Mahmood, (Birmingham, Ladywood) (Lab) Shadow Exchequer Secretary. She has accepted to meet with this group Tuesday 21 October 2014 (1pm-2pm). Chris Stapeley will communicate further arrangements to the group.]

TW added that it would be perhaps useful to invite Roland Phillips from HM Treasury and Matt Wicks from BIS to discuss equity markets.

MG/Chris Stapeley

5. Action Points

Action	Person	Timetable
Circulate the 2004 list on sundry disallowances	MG	ASAP
Research and redraft Budget representations on the costs of raising equity being tax deductible	NP/Adam Bryson/ PF/SD	ASAP (1 st draft before our next meeting 3 July)
Research and redraft Budget representations on entrepreneurial relief	TD/RJ/JP	ASAP (1 st draft before our next meeting 3 July)
Inform Fiona Bell on the work of the Tax Expert Group re Budget 2015 representations	MG	ASAP
Send our representations to Nigel Mills MP	MG	Before our next meeting 3 July
Comment on the QCA response on OTS Competitiveness review: initial thoughts and call for evidence	ALL	ASAP (before RD: 30 June 2014)
Draft a few points on EIS and liquidity	NK	ASAP
Invite Roland Phillips, HM Treasury / Matt Wicks, BIS, someone from LibDem Party	MG/Chris Stapeley	ASAP

6. Next Meeting

9:00 Thursday 3 July 2014 at Grant Thornton, 30 Finsbury Square, London EC2P 2YU