



# EQ BOARDROOM

## Bulletin

Welcome to our monthly bulletin of what's happening within Equiniti and the financial services industry that will impact our EQ Boardroom clients

### Equiniti's Birmingham Contact Centre

Last month saw a transformation of Equiniti's Contact Centre in Birmingham with a new name and new look for the rebranded 'Customer Experience Centre'.



CHIEF EXECUTIVE  
GUY WAKELEY COMMENTED:

“

Our customers deserve the very best service, good enough is no longer good enough! The work we are doing here in Birmingham will help us deliver world class service to all of our customers”.

Look out for further information about Customer Experience in future communications.

### This month we cover...

The Shareholder Rights Directive

The Quoted Companies Alliance responds to recent changes in the AIM rules

New register for overseas companies and entities

Executive pay and gender-pay gap inquiry

Companies House publishes its business plan for 2018 – 2019

Phil Ainsley, international share plan industry award winner

April's HMRC ERS bulletin



## EU public consultation on implementing regulations in relation to the transmission of information to shareholders

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On April 11 2018 the European Commission published a public consultation on the proposed implementation of regulations regarding the minimum requirements required in the transmission of information for the exercise of shareholder rights in relation to the Shareholder Rights Directive.

The proposed regulations are made up of two parts, one being a text document articulating the proposed regulations, the other being an annex containing the proposed technical standards required to support the dissemination of information to shareholders.

The purpose of the regulations aims to ensure adoption of compatible national standards, common formats and reliable processing resulting in efficient functioning of EU capital markets for shares, although whilst the Regulation is intended to cover the different holding models for shares that exist across the Member States, it is not immediately apparent how they align to the UK model. For example, a UK Share Registrar would certainly fall within the 'Issuer' category whilst the central securities depository (CSD), or CREST in the UK would be categorised as a 'first intermediary'. The definition is of significance to ensure each is capable of carrying out its current roles in a manner compliant with the regulations.

The text contains 11 Articles in total, with 1 and 11 being definitions and the application for entry into force, 2 to 10 cover; standardised formats, interoperability and language; disclosure of shareholder identity, transmission of notice of meetings, confirmation of shareholder rights, notice of participation at a company meeting, vote receipt confirmation, transmission of corporate events other than general meetings and deadlines and shareholder identification during corporate events.

The regulations will come into force on 25 May 2019, which although beyond the date for BREXIT now sits within the transitional period to Dec 31 2020. It is almost certainly also within the UK markets best interests to ensure compliance as far as is practical so as to remain as closely aligned to the EU as possible.

Equiniti will be submitting a response to the consultation highlighting the key differences in the UK market that must be recognised and legislated for. We will also be a key party to the ICSA registrars Group response and are discussing the regulations and what they mean to the UK markets with BEIS, the Law Society and GC100.





## The Quoted Companies Alliance responds to recent changes in the AIM rules

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The Quoted Companies Alliance (QCA) has responded to recent changes in the AIM rules which require AIM companies to follow a specified corporate governance code.

The QCA state that currently over 400 AIM companies refer to the QCA Corporate Governance Code when talking about corporate governance. Of the remaining AIM companies many use boilerplate statements saying that they do not follow a particular code, some state they follow the UK Corporate Governance Code and a small number follow the Corporate Governance Code of their home countries.

A new version of the QCA Corporate Governance Code has now been released. This covers what good corporate governance is, ten corporate governance principles to follow and step-by-step guidance on how to apply these principles.

The QCA press release is available [here](#)



## New register for overseas companies and entities

Progress towards legislation to introduce a new register showing who owns and controls overseas companies and other legal entities that own UK property or participate in UK government procurement continues.

The register will be the first of its kind in the world. The government response to a call for evidence has now been published setting out how the legislation introducing the new register will be implemented.

Overseas entities will be required to provide information to Companies House in a similar manner to that required under the persons with significant control (PSC) regime. The key points to note are:

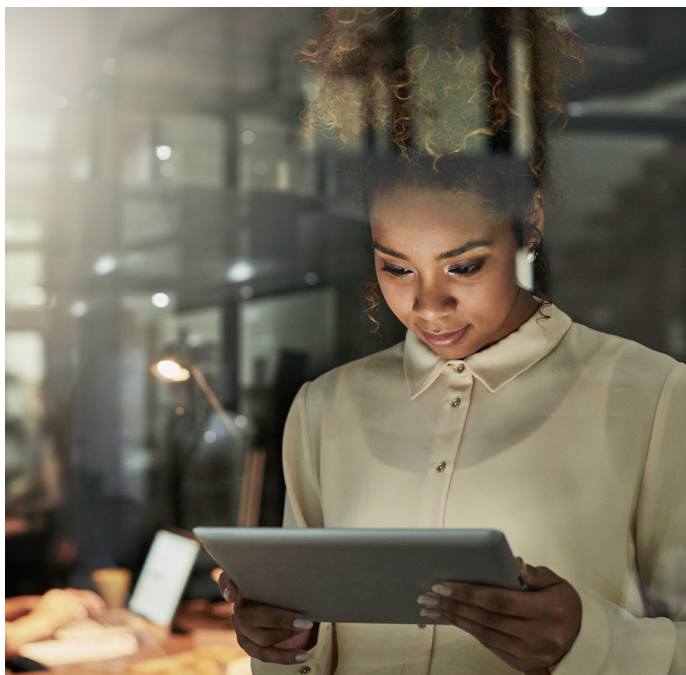
- All overseas entities that own property or wish to bid on government contracts will fall within the scope of the requirements. Trusts are not included.
- The period of 12 months originally proposed for overseas entities that already own UK property to register of sell the property will be extended.
- The information required will be the same as that under the PSC regime and the definition of beneficial ownership will be aligned to this.
- The requirement to update the register will be shorter than the original two year period proposed but is yet to be decided.
- It is proposed that those entities that are unable to provide information about their beneficial owners will have to give information on their managing officers.

A draft Bill will be published later in 2018 with the requirements coming in to force in 2021.

The government's response is available [here](#)







## Executive pay and gender-pay gap inquiry

An inquiry has been launched by the department for Business, Energy and Industrial Strategy (BEIS) Committee into executive pay and the gender-pay gap in the private sector.

In respect of executive pay, BEIS are reviewing the progress of companies on executive pay reporting and what steps have been taken by remuneration committees to curb excessive executive pay. On gender pay, the inquiry is looking into issues surrounding compliance with the new reporting requirements on the gender pay gap.

Information about the inquiry may be found [here](#)

## Companies House publishes its business plan for 2018 – 2019

The business plan sets out details of a three year transformation plan to overhaul its operation and the delivery of services.

Other key items include:

- Proposals for the expansion of digital services
- Making improvements in the Persons with Significant Control (PSC) regime by contacting companies that appear to have misunderstood the requirements or not provided information and ensure that companies have followed up by issuing the appropriate notices to PSCs
- Working on the development of the register to record beneficial owners of properties owned by overseas entities
- Continuing to improve the content required on the annual confirmation statement
- Working with BEIS to implement the ban on corporate directors

The Companies House business plan is available [here](#)



## Phil Ainsley, international share plan industry award winner

Global Equity Organisation's (GEO's) 19th Annual Conference and Awards were held last week in Orlando and we are proud that Phil Ainsley, Equiniti's Director, Employee Services, won GEO's 2018 Pioneer Award.

Phil has been involved in employee reward and benefits administration for over 20 years and in winning this award GEO said:

“

Ever willing to share his expertise in support of the advancement of global share ownership, Phil is a highly regarded strategist, bringing a dose of warmth, passion, commitment and humour to each and every interaction. Phil truly is an individual who has made their mark on the industry.”

Phil has been an integral part of GEO for more than 12 years, serving as a Board Member as well as Chair of GEO's Chapter Development Committee. GEO's aim is to spread knowledge and understanding of equity compensation worldwide and has more than 4,500 individual members representing over 1,500 companies and professional firms in more than 60 countries around the world. We are over the moon that Phil has won such a prestigious award.

## April's HMRC ERS bulletin

HMRC's employment related securities bulletins provide information and updates on developments relating to employment related securities, including tax advantaged employee share schemes.

The most recent bulletin issued in April provided information about Enterprise Management Incentive (EMI) Share Schemes. EU State Aid approval for the EMI scheme, expired on 6 April 2018 and the Government has, since last year, been following the process of applying to the European Commission for fresh approval and they await the Commission's final response.

The HMRC's latest bulletin  
is available [here](#)