Welcome to your bulletin of what's happening within the financial services industry that will impact our EQ Boardroom clients receiving Share Registration and Employee Share Plans Services

Save the date

We are pleased to announce the dates for our annual Share Registration Conference and Equiniti Employee Services Forum as:

Tuesday 11 September 2018
Equiniti Employee Services Forum
Luton Hoo Hotel, Golf & Spa Bedfordshire, LU1 3TQ

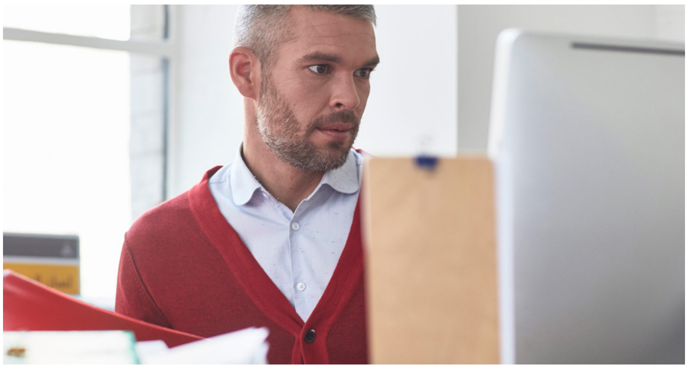
Tuesday 25 September 2018
Share Registration Conference
The Courthouse Hotel London, EC1V 9LL

Further information will be provided when the invitations to these popular annual events are sent.

This month we cover...

- New powers to staff and small suppliers in insolvent businesses
- Changes to Companies Disclosure of Address regulations 2009
- Updated guidance on the register of people with significant control
- Changes to the AIM Rules
- The Pre-emption Group statement
- The Investment Association statement
- SAYE (Sharesave) missed contributions update

UK Government plans new powers providing greater protection to staff and small suppliers in insolvent businesses



The UK Government has announced it is to launch a consultation to improve the UK's corporate governance framework and ensure the highest standards of behaviour in those who lead and control companies in, or approaching, insolvency.

The consultation continues the Government's plans for the UK to be recognised as having the leading corporate governance framework across the global financial markets, and whilst in the Government's view most companies are run responsibly, the small number of firms which were not risk harming the UK's attractiveness as a place to invest.

Following the high profile collapses of BHS and Carillion and last year's corporate governance reforms to increase boardroom accountability and transparency of big business, the Government aims to raise standards even further by setting out proposals to crack down on directors and employers behaving irresponsibly. These include:

- Clawing back money for creditors including workers and small suppliers by reversing inappropriate asset stripping of companies on the verge of insolvency
- Disqualifying and or holding directors personally liable when found to have sold a struggling company or subsidiary recklessly or knowing it would fail
- Giving the Insolvency Service new powers to investigate directors of dissolved companies
- Consideration of the legal and technical framework within which decisions are made on payment of dividends, and how it could be improved and made more transparent
- Strengthening the role and responsibilities of shareholders in stewarding the companies in which they have investments.

BUSINESS SECRETARY GREG CLARK SAID:

"Britain has a good reputation internationally for being a dependable place to do business, based on required high standards. This framework has been regularly upgraded and in the light of some recent corporate failures I believe the lessons should be learned and applied.

These reforms will give the regulatory authorities much stronger powers to come down hard on abuse and to make irresponsible directors bear the consequences of their actions."

The Insolvency and Corporate Governance consultation can be found here

Changes to Companies Disclosure of Address regulations 2009

The Department for Business, Energy and Industrial Strategy (BEIS) will implement changes to the Companies Disclosure of Address regulations 2009 in relation to which address is made public through Companies House.

Through the change BEIS is seeking to help protect company directors from identity fraud and personal harm whilst ensuring public authorities such as the police, the insolvency service and the pension regulator retain access to the information in order to perform their duties. The key amendments to the original regulations are:

- An individual whose residential address is on the register in accordance with the listed provisions may apply to the registrar to make that address unavailable for public inspection without having to make the application on specified grounds (such as a serious risk of violence or intimidation).
- An individual may now apply to have a residential address removed that was on the register before 1 January 2003.
- Where there is still a requirement for the individual to have an address on the register, this will be replaced with a service address. Where there is no longer a need, the registrar will suppress all elements of the address except for the first half of the post code (or larger geographical area if there is no postcode).

The regulations are due to come into force by summer 2018.

The draft regulations are available here

Updated guidance on the register of people with significant control requirements

Companies House has published updated guidance for companies, limited liability partnerships (LLPs) and eligible Scottish partnerships on the register of people with significant control (PSC) requirements.

All guidance documents including the 'PSC register summary guidance' and 'Company statutory guidance for the PSC register' are available here

Changes to the AIM Rules

The London Stock Exchange AIM Notice 50 detailing changes to the AIM Rules to be implemented from 30 March 2018.

The main changes to the AIM Rules are:

- Formalisation of the early notification process used by nominated advisers (NOMADs) in respect of key applicant details
- Guidance for NOMADs setting out a non-exhaustive list of factors to be considered for appropriateness assessments
- AIM companies now required to comply or explain against a recognised industry code. This takes effect from 28 September 2018 for existing companies, whilst all new applicants from 30 March 2018 will be required to state which corporate governance code they intend to follow.

AIM Notice 50 and the updated AIM rules and AIM rules for Nominated Advisers are available here

The Pre-emption Group statement

The EU Prospectus Regulation which came into force in July 2017 introduced an exemption from the need for a prospectus for up to a twenty per cent increase in securities admitted to trading.

The Pre-emption Group's statement makes it clear that there is no change to its Statement of Principles (the Principles), and continues to support companies seeking authority for an overall limit of up to ten per cent (5% for general purposes and another 5% for specified capital acquisitions or specified capital investments) issued on a non-pre-emptive basis. It also encourages companies to apply the Principles and use the template resolutions when applying for authority to dis-apply pre-emption rights.

The press release for the Pre-emption Group's statement is available here

The Investment Association statement

The Investment Association (IA) has published a statement in response to Talk Talk Telecom Group's £200 million placing of shares representing 19.99% of the company's existing share capital.

Whilst the placing did not require a prospectus under the EU Prospectus Regulation, which came into effect in July 2017, the IA criticised the company for ignoring the Principles. Talk Talk's share issue was considered to have not met any of the requirements laid out within, but instead to improve the company balance sheet.

The Investment Association's statement is available here

SAYE (Sharesave) missed contributions change update and HMRC's March bulletin

In last month's update we provided information about the Government's announcement to extend the Sharesave contributions holiday to 12 months for all SAYE plans.

It has been confirmed that:

- The change will apply from 1 September 2018;
- There will be an extension to the Sharesave savings holiday from 6 months to 12 months (or equivalent of 24 weeks to 48 weeks);
- The change will apply to all participants, regardless of their reason for missing contributions; and
- The change will also apply to participants in schemes launched prior to 1 September 2018 (as long as the account is still open on 1 September 2018 and the participant has not already given notice that (s)he intends to stop paying contributions).

There are now a number of areas to consider, including:

- Reviewing and updating documentation including launch brochures and Scheme Terms and other general Sharesave documents such as information packs, standard and non-standard letters, administration manuals, FAQs, and maturity packs;
- Whether Sharesave Scheme Rules need amending. Whilst most Rules don't mention the number of missed contributions, we have seen some that state that 'If more than 6 contributions are missed the option will lapse';
- Where the company has international plans, whether a similar change could/should be considered;
- Plans to communicate this change to existing participants, such as with annual statements, though online portals and through company briefings/newsletters; and
- Payrolls and processes around missed contributions. Although payroll processes should remain broadly similar to now, this needs to be checked to determine whether any payroll changes are needed.

If you have Sharesave plans, there are various tasks to be completed before September and your Relationship team will be able to discuss this further with you.

HMRC's employment related bulletin March 2018 includes an update about this with articles on:

- Save as You Earn (SAYE) savings holiday
- ERS online data
- Common issues
- Top things to remember.

The HMRC's employment related bulletin March 2018 is available here