



## Summary of the 2021 IAFP Round Table/IAFP Website

November 8<sup>th</sup>, 2021

Held online 14.00-17.15

*By Robert SCALLON (IAFP/THALES)*

### Physically present of the offices of Fondact in Paris were:-

Pierre Havet, Jérôme Serrat and Agathe Mercier (all three with Fondact), Jorgen Pedersen (The Birch Tree) and Robert Scallon (FAST)

### Present remotely were:-

Camille Lagauterie (TotalEnergies), Claire Heppenstall (Novartis), Hans de Jong (Ericsson), Nicola Pela (Atlantia), Johannes Pointner (voestalpine) and Luc Steensels (Randstad).

Jean-Michel Content, Jean-Claude Mothié and Nelly Voyeux (all three from IAFP), Geert Janssens (ETION), Pascale Nieuwland (SNPI), Heinrich Beyer (AGP), David Guilhorre (FAS), Raita Karnite (EPC), Graeme Nuttall (Fieldfisher), Sonia Chevalier (Eiffage), Dennis Nohar (Emanon), Séverine Marchand (Spie Batignolle), Camille Destee and François Xavier Gros (both of Schneider Electric), Ilka Schulze (Holtmann), Thierry Perrouault (Orange), Tim Lochner and Rolf Leuner (both from Rödl), Sandra Schintu (GxP-CC), Kathrin Lutz (Voest alpine), Anita Bérard (Arkema), Philippe Lépinay (Thales), Jean-Claude Duchêne (FAST), Stanislas de Germay and Sébastien Kuntz (both of EssilorLuxottica), Eva Rathgeber (Unternehmeredition), Helen Cianci (Temenos), Véronique Weber (Société Générale), Dana Noseir (?), Christine Caillat (?)

41 in total.

- 1) Jean-Michel Content (IAFP) opened the Round Table, welcoming all.
- 2) Graeme Nuttall (Fieldfisher) gave an overview of majority employee ownership in UK, a very strong trend in recent years. On employee share-ownership generally he pointed out that all-employee schemes in UK had peaked whilst discretionary schemes were still growing. The strongest sectors were banking, insurance and real estate. The UK government has done little in recent years to promote employee share-ownership as opposed to (majority) employee ownership. The UK's Office of Tax Simplification reported adversely on employee share ownership schemes in its Autumn 2020 report.
- 3) There followed a panel discussion where the six speakers commented on the question of why interest in employee share ownership varied between European countries. They also answered questions put by listeners in the Chat function and read out by Robert Scallon. Claire Heppenstall mentioned the importance of the quality of in-country communication. Luc Steensels mentioned the problem of employees not putting all their eggs in one basket and the point that the employer also derives benefits from share schemes. Hans de Jong made the point that the simpler the scheme design, the easier it was to sell to employees: online delivery eg by video was easy to do. Johannes Pointner said that employees would ask why the company was promoting share schemes (what was in it for the company?), hence the importance of communication, which depended on management in each country. Nicola Pela commented that the offer of free shares should reduce the confrontational relationship between management and employees, as would employee representation on the main board: he also commented that the cost of such schemes should be weighed up against the benefits.
- 4) In the absence of David Hildebrandt (wife in hospital), Robert Scallon summed up the afternoon's Round Table. He felt that the differing levels of interest were not only explained by differing tax regimes but by many other factors eg. lower-paid employees having less disposable income, countries with generally lower income levels, different political cultures, different employer attitudes, different types of company (small v. large, quoted v. unquoted). It was a very complex area, but the Round Table had definitely helped to expand cross-border knowledge of employee share schemes.