Issue 3 2013

WHITE & CASE

Global compensation update

The newsletter of the White & Case global equity-based compensation group

In the Spotlight:

CRD IV and the Bonus Cap: A "blunt tool" or "a sensible move forward"?

News Update:

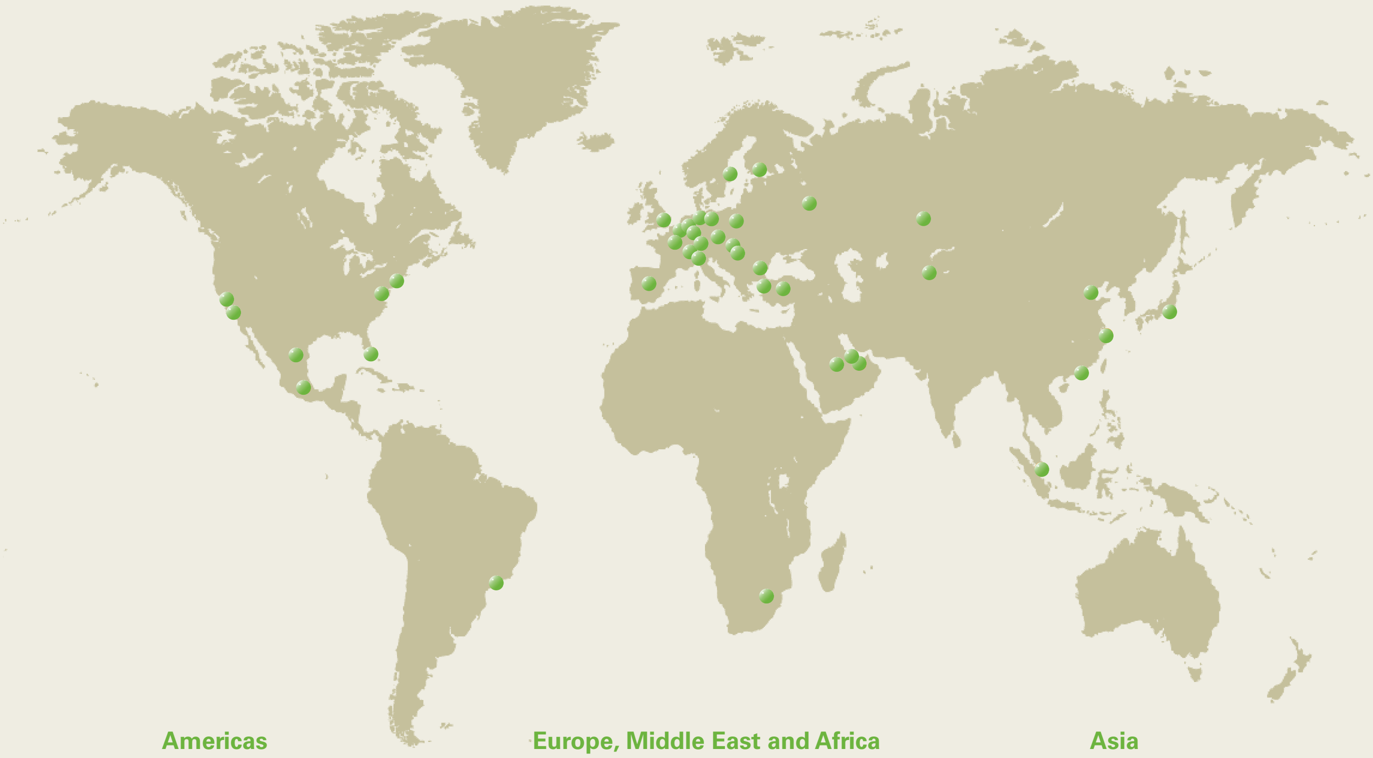
Round-up: the highs and lows of 2013

A Game of Two Halves: The UK's HM Revenue & Customs disputes Rangers FC tax appeal

News in Brief

Upcoming Events

Supporting clients globally



Americas

Los Angeles
Mexico City
Miami
Monterrey
New York
São Paulo
Silicon Valley
Washington, DC

Europe, Middle East and Africa

Almaty
Ankara
Astana
Berlin
Bratislava
Brussels
Bucharest
Budapest
Doha
Düsseldorf
Frankfurt
Geneva
Hamburg
Helsinki
Istanbul
Johannesburg
London
Madrid
Milan
Moscow
Munich
Paris
Prague
Riyadh
Stockholm
UAE
Warsaw

Asia

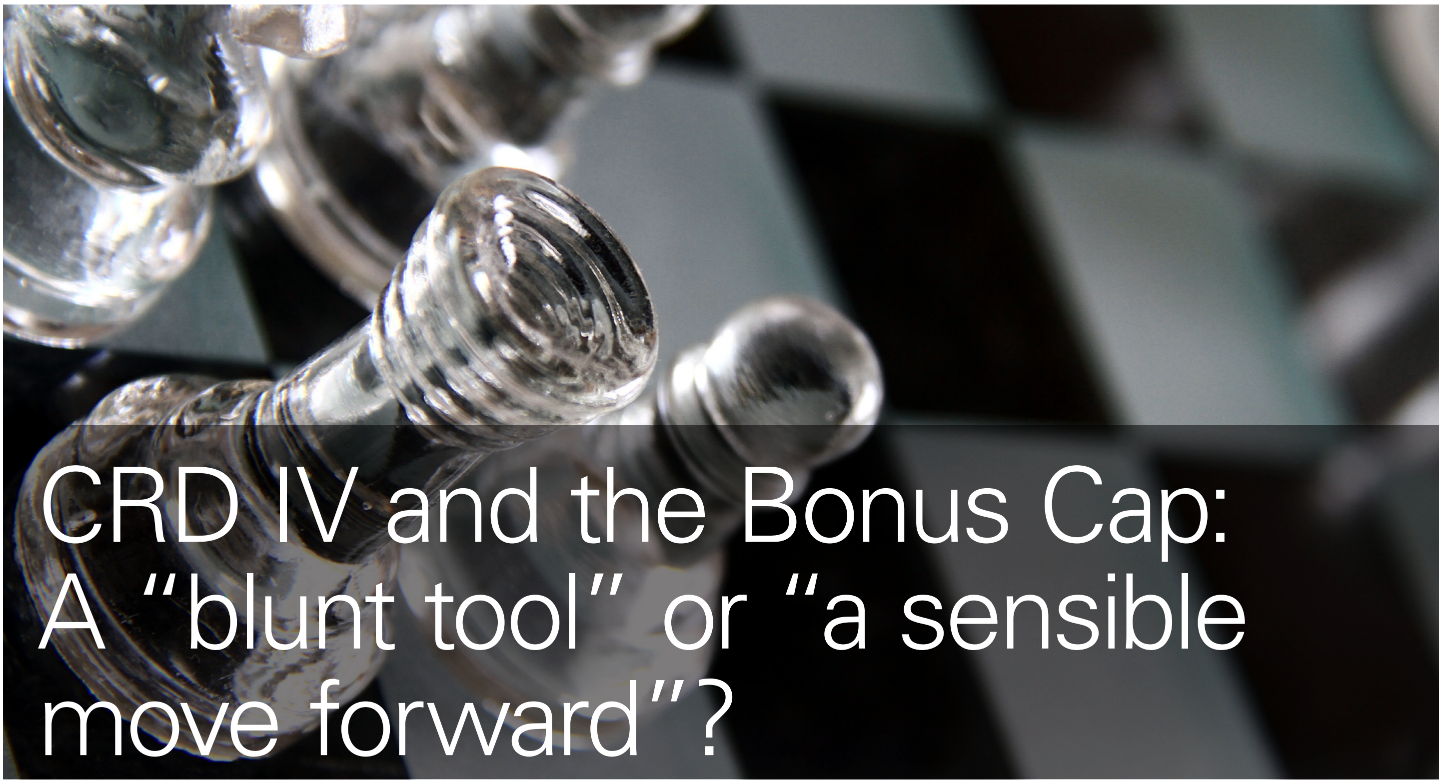
Beijing
Hong Kong
Shanghai
Singapore
Tokyo

Nicholas Greenacre
Partner, London
Tel: + 44 20 7532 2141
ngreenacre@whitecase.com

Mark T. Hamilton
Partner, New York
Tel: + 1 212 819 8262
mhamilton@whitecase.com

Euan Fergusson
Counsel, London
Tel: + 44 20 7532 2122
efergusson@whitecase.com

In the Spotlight



CRD IV and the Bonus Cap: A "blunt tool" or "a sensible move forward"?

Ahead of the implementation of the fourth Capital Requirements Directive ("CRD IV") on 1 January 2014, White & Case has conducted a survey on the regulation of variable pay in financial services and, in particular, the bonus cap in CRD IV. Interviews were held with heads of compensation and benefits and other key individuals with responsibility for compliance in a cross-section of banks and investment managers in the EU, Switzerland, Canada, Japan and the US, seeking their views on (i) the new remuneration rules, (ii) steps being taken in preparation, and (iii) the likely effect the rules will have.

Copies of the report are available by *clicking here* or at: events.whitecase.com/pdfs/CRD-IV-bonus-cap-market-report.pdf

The shared feeling by respondents to the survey is that CRD IV represents a dramatic move away from the existing bonus culture that has underpinned the financial sector for some time, requiring a complete change in the way variable pay is determined and paid. With the exception of a small minority, the survey showed that it is ultimately thought of as a piece of legislation that is not fit for purpose, particularly when compared with the consistency and clarity that CRD III brought. Of the banking respondents surveyed, the majority were opposed to the bonus cap and were in agreement that CRD IV is "a blunt tool" which has been poorly thought through. The small minority of banks that defended the 100% bonus cap mainly came from the Netherlands, where banks are facing a much lower cap of 20%.

The ultimate impact of CRD IV on compensation plans will be more limited for banks regulated outside of the EU than it will be for those regulated within the EU. Within the EU, the greatest impact of the rules is likely to be felt in the UK. The UK Government has gone as far as issuing a challenge of the CRD IV bonus cap in the European Court of Justice.

The survey highlighted that there are several key reasons for such opposition.

Contrary to the expectation of European parliamentarians that the bonus cap will bring pay down, the general consensus is that, CRD IV is likely to result in higher base salaries or fixed remuneration for affected staff so that, when their 100% bonus is added, they will continue to receive the same level of remuneration (comprising salary, bonus and any other benefits) as they would previously have done. This may be one of the only ways in which the banks will still be able to attract the best people for jobs in what is a competitive market. The view is that imposing these restrictions will ultimately distort the market and result in a not so level playing field.

Despite a fast approaching implementation date of 1 January 2014, of the respondents surveyed, there was a general uncertainty as to whether they are expected to comply from the start of the 2014 calendar year or the start of a bank's financial year, many of which would fall later in 2014. Given that the European Banking Authority ("**EBA**") only submitted to the EC on 16 December 2013 draft regulatory technical standards on the identification of key staff, it is clear that definitive guidance will not be given by the relevant regulatory institutions until later in 2014. In addition, while it is proposed that institutions may be entitled to apply a discount rate of up to 25% of the total bonus for the purposes of calculating the cap, the applicable discount rate is not yet known and the EBA is not due to publish its guidance on this either prior to January 2014.

Whichever way the banks look at it, the 100% bonus cap (or 200% if shareholder approval is obtained) means that banks will no longer be able to continue paying significant variable remuneration in the way they, and the market, have become used to. Despite the strong opposition, the majority of financial institutions appear to be resigned to compliance, taking the view that there is little, if any, choice but to comply and it is something everyone will have to live with. However, in the absence of clarity as to what exactly needs to be done, for whom and by when, banks are finding themselves in somewhat of a limbo land of uncertainty at the moment.

Even once banks do know what needs to be done, for whom and by when, further key questions arise as to how clawback will work in practice, how different regulators in different jurisdictions will interpret the legislation, and how the rules will interplay with local employment laws in the various jurisdictions.

The survey considers several potential options for financial institutions in order to assist in easing the burden of CRD IV.

1. **Obtaining shareholder approval:** Financial institutions can obtain shareholder approval to allow variable remuneration of up to 200% of fixed pay. This may provide sufficient headroom for some firms. A large proportion of the respondents surveyed suggested that they would expect major firms to do this. For those groups headquartered outside of the EU that only operate 100% subsidiaries in Europe, this may be relatively straightforward, and those respondents who are in this position indicated that they would likely do this. However, for those institutions that will need to obtain the approval of public shareholders, this may become quite a sensitive exercise in which they will need to demonstrate to shareholders that the 200% limit is necessary and justified.

2. **Increasing fixed pay while retaining flexibility:** There is an expectation that regulators, in the UK at least, will take a flexible approach towards the fixed pay structures that banks decide to put in place. On that basis, many banks have already begun increasing fixed pay (although not base salaries) as fixed pay supplements can be carved out of base salary for the purposes of salary related contractual benefits, such as pension contributions.

3. **Relocating staff outside of the EU:** The general view among the respondents was that relocating staff outside of the EU was not necessarily an answer to the problem, and neither was it a practical or cost efficient option.

4. **Re-tiering for Investment Firms:** The UK FCA has proposed that all Level 3 FCA regulated investment firms (which are all investment firms subject to CRD IV and prudentially regulated by the FCA) be allowed to dis-apply the bonus cap, provided they can evidence that it is reasonable to do so. Investment firms within banking groups may therefore wish to re-tier to Level 3 so as to avoid having to apply the bonus cap.

In summary, the overwhelming reaction from the respondents surveyed is that there is a strong dislike of the new regulations and the majority would like to see the bonus cap, if not all of CRD IV, withdrawn. Unfortunately, this is unlikely to happen and so, with that in mind, there appears to be an air of resignation among financial institutions who are prepared to comply. However, with the regulators a step (or three) behind the legislators in providing guidance as to how financial institutions are to comply with CRD IV, and with little prospect of such guidance being forthcoming prior to 1 January 2014, financial institutions are in a no win situation, faced with being reprimanded for failing to comply with a piece of legislation that they do not welcome in the first place.

Round-up: the highs and lows of 2013

Introduction

This article highlights a few of the key stories of interest over the last year, including developments in the French bill adopted by the French Parliament, the impact of the US "fiscal cliff" deal, the emergence of FATCA-type regimes outside the United States, the simplification of rules applying to UK 'unapproved' employee share plans and the revised publication of the European Securities and Markets Authority Prospectus Questions and Answers in relation to certain provisions of the Prospectus Directive 2003/71/EC.

Tax developments in France

On 20 December 2012, the French tax bill for 2013 was adopted by the French Parliament and included the introduction of major changes to French "qualifying" share plans. Prior to publication of the bill, a number of the provisions were abolished by the French Constitutional Council on the grounds that they were non-constitutional. A revised version of the tax bill was published on 30 December 2012, which reformed the taxation of capital income and gains on securities and abolished the tax favoured regime applicable to qualifying restricted stock unit plans in France from a personal tax perspective. The fixed rates (19% or 30%) which previously applied to the gains on restricted stock units and options under French qualifying share plans changed to a variable rate in line with prevailing progressive income tax rates up to 45%.

The French Constitutional Council has since vetoed President François Hollande's plans for employees earning more than €1,000,000 (£850,000) per annum to pay a "supertax" charge, on the basis that this would be unconstitutional. To avoid the embarrassment of a major policy U-turn, the French Government recently redrafted the initial tax proposal and has now shifted the burden from employees to employers.

According to the draft tax bill currently under discussion by the French Parliament, all employers in France (carrying out business in France) will be subject to tax at a rate of 50% on gross remuneration paid to employees in 2013 and 2014 which exceeds €1,000,000 in each year. "Remuneration" for these purposes is set to include salary, bonuses, attendance fees, pensions, and benefits in kind paid to employees or officers as well as the value of equity awards issued by French employers. We also expect "remuneration" to include the value of equity awards granted by an overseas parent to employees of a French subsidiary.

All individuals, companies and unincorporated bodies carrying on a business in France will be subject to this new "supertax", although the tax charge will be capped at 5% of the employer's turnover in France for the year in which payment of tax falls due. Employers must pay the tax charge to the French tax authorities on 30 April 2014, for salaries paid in 2013, and 30 April 2015, for salaries paid in 2014.

Having now been revamped to apply to employers, the new tax rate is only supposed to be in place for two years, starting retroactively this year. The French Government expects it to net €420,000,000.

The final vote will take place by the end of December 2013 and will remain subject to review by the French Constitutional Council. The final version of the revised legislation is expected by the second week of January 2014.

Impact of the "Fiscal Cliff" Deal

On 1 January 2013, the United States Congress adopted the American Taxpayer Relief Act (H.R.8) ("**ATRA**") in response to impending tax increases and automatic spending cuts, scheduled to begin in January 2013 and commonly referred to as the "fiscal cliff". Some of the key changes brought about by the ATRA are listed below:

- permanent extension of the 25%, 28% and 33% income tax for certain taxpayers;
- permanent extension of the capital gains and dividend rates on income at or below US$400,000 (individual filers), US$425,000 (heads of households) and US$450,000 (married filing jointly) for taxable years beginning after 31 December 2012. For income in excess of these thresholds, the rate for both capital gains and dividends will be 20%;
- two year extension of the work opportunity tax credit allowing businesses to claim a work opportunity tax credit equal to 40% of the first US$6,000 of wages paid to new hires of one of eight targeted groups; and
- extension of the treatment of certain dividends of regulated investment companies.

Emergence of FATCA-type regimes outside the United States

The US Foreign Account Tax Compliance Act ("**FATCA**") aims to combat tax evasion by US taxpayers holding non-US assets. Under FATCA, a foreign financial institution ("**FFI**") may enter into an agreement with the Inland Revenue Service ("**IRS**") requiring it, among other things, to disclose information about financial accounts held by US taxpayers or foreign entities in which US taxpayers hold a substantial interest. Failure to comply with this reporting obligation may result in all US sourced payments (e.g. dividends and interest paid by US corporations) being subject to a 30% withholding tax.

The implementation of FATCA has been facilitated greatly by the US entering into intergovernmental agreements ("**IGAs**") with various countries ("treaty partners"), including the UK, Denmark and Switzerland. The expectation is that the IGAs will be reciprocal, with US financial institutions being placed under a similar requirement to report financial accounts held in the US by account holders from FATCA treaty partners. This bilateral approach has paved the way for other countries to adopt their own domestic version of FATCA.

Under FATCA, an individual reporting obligation may be triggered as a result of participation by US employees in a compensation plan implemented by a non-US employer or non-US parent company. Although this reporting requirement falls on the employee and employers will not face any liability if an employee fails to file the statement, the reporting requirements are likely to prove burdensome for employers and employee alike.

As the number of IGAs being signed between the US and other governments increase, a new level of tax information sharing is beginning to emerge. The reciprocal exchange of information will allow countries to see the revenue possibilities of tax collection of financial accounts held, not just in the US but also in other offshore accounts. Once the difficulties imposed by FATCA have been ironed out, we may well begin to see many more countries adopting their own FATCA-type regime.

Simplification of rules applying to UK 'unapproved' employee share plans

The UK Office of Tax Simplification (the "**OTS**") published its final report at the beginning of the year in relation to its review of 'unapproved' employee share plans. The OTS report aimed to simplify the legislation governing unapproved employee share plans and some of its key recommendations include:

- a fundamental change to the basis of charging employee share acquisitions;
- the alignment of the tax treatment of international assignees with the general earnings tax treatments; and
- a 'safe harbour' employee shareholding vehicle to enable companies to manage their employee share arrangements and create a market for employees' shares.

The OTS report is currently subject to consultation by HMRC and we are awaiting the results of this consultation to see which, if any, recommendations will be implemented in 2014.

Version 18 of the European Securities and Markets Authority's Prospectus Q&A

On 20 December 2012, the European Securities and Markets Authority ("**ESMA**") published version 18 of its Prospectus Questions and Answers ("**Q&A**"). The Q&As reflect common positions agreed by ESMA Members.

The following two changes since the last version of the Q&As was published are of particular relevance to employee share plans:

- Q&A 5 covers non-transferable share options. Whilst shares acquired on the exercise of an option may be transferable securities, as the exercise does not involve a public offer, it is not subject to the Prospectus Directive. However, the competent authorities of Germany and Poland consider that the grant and exercise of employee share options, taken together, could, or would always, give rise to a public offer of shares and possible prospectus obligation. Q&A 5 now states that where, in the view of national competent authorities, a transaction involving options is in reality an offer of shares, the authorities reserve the right to re-qualify the options as an offer of shares in order to overcome any circumvention of the Directive.
- Q&A 71 no longer warns of the possibility that the short-term prospectus regime for employee offers may be withdrawn following the amendment of the employee share exemption in the legislative review of the Prospectus Directive.

A Game of Two Halves: The UK's HM Revenue & Customs disputes Rangers FC tax appeal

Introduction

The long awaited decision of the First Tier Tribunal in the Rangers EBT case has now been delivered. The case has attracted significant media attention and holds important lessons for employers making use of trust loan schemes. It is a welcome reminder that the courts are prepared to look at the reality of what is happening when construing complex statutory provisions in the context of what HMRC would no doubt describe as an aggressive tax avoidance scheme.

In *Murray Group Holdings and others v The Commissioners for HMRC [2012] UKFTT 692 (TC)*, an appeal against HMRC assessments for income tax and National Insurance contributions (NICs) in relation to loans made to soccer players and executives through an employee benefit trust has been allowed by the First Tier Tax Tribunal.

An employee benefit trust or "EBT" is usually a discretionary trust for the benefit of a class of beneficiaries consisting of the employees of a particular company, or group of companies, and family members or dependents of those employees. In the UK, EBTs have been used in a tax-efficient way to make payments for the benefit of key employees of what were, in substance, bonuses, without any immediate material liabilities to tax arising. Applying the principles established in *WT Ramsay v IRC (1984) 54 TC 101*, the First Tier Tax Tribunal found in favour of the taxpayer. It was held that, under the anti-avoidance legislation, the benefits under the EBT could not be taxable as employment income as the loan amounts were not placed unreservedly at the disposal of the employees.

In very broad terms, the principles developed in *Ramsay* and now applied in *Murray* are that when considering a tax planning arrangement, a court should look at the reality of what is happening and whether the legislation is intended to apply a tax charge to the arrangement (viewed realistically). Whilst the appeal was successful, the dissenting judgment rested particularly on the commercial reality that the loans were practically (if not theoretically) irrecoverable and, as such, amounted to emoluments. Had the trustees not acted properly – by exercising their discretion in relation to the loans and requiring proper security and information as to the debtors' financial circumstances and by considering whether any of the loans should in certain situations have been called in – a successful appeal might have been less likely.

The Facts

In the *Murray* case, Murray Group Management Limited ("**MGML**") (a holding company in Rangers FC) set up an EBT arrangement in April 2001 called the Murray Group Management Remuneration Trust, with a Jersey-resident trustee. 108 active sub-trusts were set up by the relevant MGHL group employer between 2002 and 2008 with assets from the principal trust. Each sub-trust was in the name of an individual and for the benefit of beneficiaries within his family nominated by him, but not for the direct benefit of the employee. Funds for a sub-trust were provided by the employer to the principal trust together with a letter of wishes from the employee identifying proposed beneficiaries of the sub-trust, a loan application from the employee and a draft sub-trust deed.

The full amount of the sub-trust funding was then loaned to the employee without security for a term of ten years. The original trustee of the principal trust was replaced (by MGML) in 2006 with another Jersey-resident professional trustee, who expressed concerns about the lack of security for loans made to individuals who were not beneficiaries of the relevant sub-trust, leading to delays in the advancement of requested loans to some players by the original trustee. The MGHL group employers ceased funding the principal trust whilst a new trustee was sought. HMRC assessed MGHL group employers to PAYE and NICs in respect of payments into the sub-trusts for income tax and NICs and concluded that the sub-trust loans made to employees were a sham (i.e. a secretive arrangement to place cash unreservedly at the employees' disposal) and that in fact the gross amounts were contractual earnings of the employees concerned and taxable accordingly. The MGHL group employers appealed to the First-Tier Tax Tribunal arguing that the loan amounts did not fall to be taxed as emoluments, as they were not placed unreservedly at the disposal of the employee and so were not taxable "payments".

Following the decision in *Ramsay*, it was held that, under the anti-avoidance legislation, the benefits under the EBT could not be taxable as employment income. Even though the trust loan discharged an obligation of the employer, the majority held that they were not taxable as earnings, as in their view, the loan amounts were not placed unreservedly at the disposal of the employees. This is a long-awaited decision, following hearings that began in October 2010 and confirms two previous first instance decisions concerning the taxability of loans to employees from trusts, which had not been appealed. HMRC lodged an appeal in the Upper Tier Tribunal last year and it is set to be heard on several days between February and March 2014.

Tackling the future

The *Murray* decision is likely to be relevant to employers that made any similar use of trust loan schemes before Part 7A of the Income Tax (Earnings and Pensions) Act 2003 (ITEPA) came into force. These employers are likely to be under pressure from HMRC to settle large outstanding claims for unpaid PAYE and NICs.

The correct application of the *Ramsay* approach to the scheme is likely to feature significantly in HMRC's appeal. The above decision may prove a pyrrhic victory for Rangers' employees. The loans will need to be repaid ten years after the date on which they were made, and under current law, it will be difficult to refinance the loans without a tax charge arising. There are significant numbers of employing companies that have established a discretionary EBT. Some of those EBTs will have made loans to employees, in respect of which the sponsoring employer may have received protective assessments to income tax through PAYE and NIC from HMRC. Such employers may see the majority judgment in this case as giving them a reprieve, however, HMRC will be helped significantly in any appeal by the opinion of the dissenting judge, Dr Poon, who took a different approach to the majority and found that the trust arrangements were, in fact, an orchestrated scheme to place certain sums unreservedly at the disposal of employees, but with a more favourable tax treatment than direct payments from the employer.

News in Brief

Australia

Prospectus and licensing relief for employee share schemes

On 14 November 2013, the Australian Government released its long awaited consultation paper on prospectus and licensing relief for employee share schemes, together with a draft Regulatory Guide to replace the existing policy document. A new Class Order relief will be published in 2014 to replace the existing, and increasingly unfit for purpose, Class Order 03/184. In the meantime, and until promulgation of a new Class Order, offers of participation in any form of employee share plan must continue to be made under the terms of the existing Class Order 03/184.

ASIC's proposed changes include who can make offers and who can receive offers, to make it easier for employers and issuers to develop an employee incentive scheme, subject to new conditions to support the interests of participants who are considering taking up such a scheme. The proposals reflect changes to the Corporations Act 2001 as well as developments in market practice for structuring employee share schemes.

Italy

New reforms regarding the issue and offer of financial instruments

Many will remember the notifications to the Bank of Italy, which were required in advance to any issue or offer of financial instruments in Italy until 2007 (a requirement repealed starting from that year) and the subsequent notifications similarly required until August 2011 (when the Bank of Italy decided to suspend those notifications). A draft consultation paper has now been published proposing the new forms to be used for the latter notifications and relevant procedure. The draft consultation paper aims to introduce a new form of subsequent communication following the issue or offer of financial instruments (e.g. securities such as company shares, bonds and other debt securities and money market instruments) in Italy. To date, there is no specific requirement for a notification to be made to the Bank of Italy either prior to or after the issuance or offer of financial instruments in Italy.

Luxembourg

Renewed Luxembourg partnerships regime in light of the implementation of the AIFM Directive

Having recognised the importance of the private equity industry for the country, and to cope with the strong competition derived from the use of some fund-type vehicles in other jurisdictions, Luxembourg has introduced a new partnership, called société en commandite special (SCSp), as part of the range of limited partnership vehicles (available to investors and fund promoters). The SCSp will benefit from the same flexible legal regime as the pre-existing common limited partnership ("société en commandite simple" or "SCS") yet without being vested with legal personality. As a result, investors have the choice between a Luxembourg limited partnership with legal personality (SCS, similar to a Scottish LP) and a Luxembourg limited partnership without legal personality (SCSp, similar to an English LP).

The new Luxembourg partnership is particularly designed, even if not exclusively, to suit the investment vehicles used by the private equity industry and other Alternative Investment Funds (AIFs) e.g. hedge funds. The Luxembourg limited partnership regime is aligned, on a level playing field, with models existing in England, Scotland, Jersey, Guernsey and other common law jurisdictions and will be tailor-made for alternative investment fund raising and for carried-interest structuring.

The Netherlands

The Dutch Government has published a legislative proposal, which includes the so-called bonus capping rules for the financial sector. The proposal provides for a bonus capping rule where the annual total variable pay is capped at 20% of the annual fixed pay.

This rule applies in principle to all financial institutions (i.e. banks and insurance companies) headquartered in the Netherlands and to Dutch based branches of foreign financial institutions, but not to Dutch subsidiaries of financial institutions who are based in an EU/EEA country (the "level playing field principle").

The proposal provides for a number of exceptions to the bonus capping rule including:

- individuals who spend at least 50% of their time working in the Netherlands and whose remuneration is not entirely based on a collective labour agreement may be granted more than 20% variable pay provided that the average variable to fixed ratio within the same group does not exceed 20%.
- individuals who spend at least 50% of their time working outside the Netherlands fall under the 100% or 200% bonus capping rules under the Capital Requirements Directive IV and not under the above Dutch bonus capping rule.

The proposed effective date is 1 January 2015. The proposal provides for transitional rules in the sense that it will not apply to performance years prior to 2015. This means that bonuses higher than 20% in respect of performance year 2014 can still be paid during 2015. The proposal has been published in the form of an internet consultation. The Dutch Government will collect reactions prior to officially submitting the proposal to Dutch Parliament.

United Kingdom

SAYE and SIP limit increase

In its Autumn Budget Statement, the UK Government doubled the maximum monthly Save As You Earn (SAYE) savings contribution from £250 to £500 while the annual Share Incentive Plan (SIP) limits will increase by £300 to £1,800 per year for partnership shares and by £600 to £3,600 for free shares.

In SAYE schemes, employees who make regular savings will receive a guaranteed tax-free bonus at maturity (where applicable) and a profit from the sale of their shares based on any increase in their company's share price over that time. For SIP, the savings are from gross salary making the plan highly tax efficient.

It is expected that the doubling of the amount employees can contribute to SAYE schemes, and significant increase in SIPs limit, will help employees to directly benefit from the success of their employers and it is likely that a large proportion of people will increase the amount they save through their salary when these changes take effect next April.

Upcoming Events

White & Case Seminar: "Navigating the Maze of HR Issues in Europe"

4 February 2014, London and Tokyo

Organising and managing human resources in Europe can be a critical issue for local managers and HR personnel in Japanese-headquartered multi-national companies. There are a variety of employment rights and minimum standards of working conditions applicable both to locally hired staff and employees seconded from Japan which may, at first, be unfamiliar from a Japanese perspective.

Nicholas Greenacre, Stephen Ravenscroft, Yuji Ogiwara and Kaori Sugimoto from the White & Case Global Employment & Benefits Group in Tokyo and London will hold a joint seminar for managers and HR professionals of Japanese companies with businesses in Europe in order to address the unfamiliar HR issues that may arise and suggest how to manage the challenges you may face.

The ESOP Centre's 15th Global Employee Equity Forum

6-7 February 2014, Davos, Switzerland

The ESOP Centre's 15th annual Global Employee Equity forum will take place in Davos on 6-7 February 2014. Euan Fergusson (White & Case, London) will be presenting, together with Christina Hamilton from Western Union Business Solutions, on the challenges of making cross-border payments to overseas employees.

Registration details and additional information regarding the conference can be found at:

www.esopcentre.com/event/davos-2014-diary-dates/

The Global Equity Organisation's 15th Annual Conference

7-9 May 2014, Miami, United States

The Global Equity Organisation's 15th annual conference will take place in Miami on 7-9 May 2014. Nicholas Greenacre (White & Case, London) will be presenting, together with Lindsey Doud and Caroline McCann from RBC cees International Limited, on the strategies and regulatory, administrative and cultural challenges around effectively incentivising both local and globally mobile employees in the Middle East and Latin America. The panel will also look at how plan governance models from the developed markets (in particular the US and the UK) can effectively be replicated in local plans in emerging markets and provide a stable structure to the fundamentals of plan design. The panel will examine the perceived and real advantages and disadvantages in the Middle East and Latin America of phantom stock plans when compared with longer term savings and international pension plans which are seeing growing prevalence in these territories. As part of the session, the panellists will draw on specific recent client examples and situations.

December 2013