

## One minute with... Sarah Ferguson

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[Sarah Ferguson](#)



### What's keeping you busy at work?

Demand for my expertise! In quarter one, I predominantly advised VC-backed companies looking to maximise the eventual returns to founders and employees with tax-advantageous EMI option plans and CSOPs playing a key role. This quarter, more private companies are making significant investments, while public companies are becoming more active again.

### If you could make one change to tax, what would it be?

Simplifying tax laws around incentives. Currently the general outcome is tax-advantaged treatment for the management of private companies and non-tax advantaged treatment for the management of public companies (shareholders don't favour tax breaks for those considered well-paid). A blanket law to effect the same outcome would seem fairer and simpler.

### What do you know now that you wish you'd known at the start of your career?

Clients don't want to talk business at events; they want to talk to people. Be yourself and the rest will flow from there.

### Are there any new rules that are causing a particular problem in practice?

Although HMRC emphasises that their updated guidance on blanket discretions in EMI option plans is not a change in the law, in practice, many companies granted such options on the previous understanding that those options could be exercised on a tax-advantaged basis as a result of their board triggering a blanket exercise discretion (which is not the case). As a result, long-standing option holders who, for example, are offered the opportunity of an early payout on a secondary in reliance on such a blanket discretion trigger event are being left with the choice of exercising with an unexpected tax bill of up to 60.8% (instead of the expected 10%) or waiting for a specified exercise trigger to occur (which could be years down the line, if ever).

### Has there been a recent change in HMRC practice which has impacted your work?

Despite a slight improvement in response times, the advertised 10-14 day turnaround time for HMRC valuations is often exceeded, leaving clients in limbo. They worry about delaying grants hoping a valuation agreement can provide greater tax certainty, while weighing up potentially unexpected events affecting the low share prices needed for the best tax outcomes.

### What development should we look out for later this year?

The new EMI option notification process: the 92-day grant notification window is gone, everything turns on the annual share plan report now.

Finally, you might not know this about me but...

I grew up on the Isle of Man, where I learnt bobbin lace-making and won a number of national competitions with my creations. Years later, I started the Cambridge University Bobbin Lace-Making Club to encourage like-minded crafters to expand their repertoire and enjoy some well deserved mindfulness and me-time.

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