

Prime Minister

(2)

MR. SCHOLAR

*ms*

You may wish to be aware of this.

SHARE INCENTIVE SCHEMES

*MS 26/2*

From my examination of Copeman's schemes, I found there was some justification for his view that the Stock Exchange imposes undue restrictions on the introduction of share schemes. I believe the Chancellor is right to seek some relaxation of the Stock Exchange rules.

Like the Chancellor, I can see no convincing argument for removing the £1,000 per annum limit on appropriations of tax relieved shares. The Treasury paper identifies a number of real dangers, especially by using the superannuation umbrella for much wider purposes than it was intended.

Finally, I do not see that the Copeman proposal for vesting is needed. The Treasury points out that the 1980 legislation will largely cover this.

ALAN WALTERS

25 February 1982