

The Rt Hon Jeremy Hunt MP
Chancellor of the Exchequer
By Email

28 February 2024

Dear Chancellor,

I am writing to you on behalf of The Chartered Governance Institute UK & Ireland ahead of the Spring Budget 2024 next week to summarise the policy changes that we believe would have the greatest positive impact on the UK economy.

Our key recommendations for the Spring Budget are:

Fighting economic crime

- Prioritise implementation of the Economic Crime Plan 2 and the Economic Crime and Corporate Transparency (ECCT) Act.
- Conclude the Anti-Money Laundering (AML) review and allow all those registered for Identity & Verification (ID&V) at Companies House under the ECCT Act to be treated as identified for all AML purposes.
- Give Companies House the resources it needs to fulfil its enhanced regulatory role.

Improving mass participation and investor confidence in the stock market

- Reiterate Government support for the UK's corporate governance tradition as a guarantee of the rights of retail shareholders and minority investors, and the protection of stakeholder interests.
- Encourage employee share ownership by reducing the holding period for Share Incentive Plans (SIPs) from five to two years.
- End the seven-year freeze on ISA allowances, raising them to £25,000 and thereafter index-linking.
- End stamp duty on share purchases by private investors.
- Increase the annual personal tax-free allowance for dividends from the current figure of £1000 to £5000 and thereafter index-linking.
- Deliver the dematerialisation of UK share ownership in a way that maintains the direct relationship between issuers and shareholders, particularly retail shareholders.

Reforming reporting and audit

- A statutory regulatory regime which includes the following changes to company law:
 - An expansion of the scope of regulation to include all large private companies (using the formula 750:750).
 - S271 of Companies Act 2006 (employment of a professionally qualified company secretary) should be extended to apply to all large private companies.
 - Restricting use of the term 'company secretary' to those with a recognised professional qualification
- New powers for the FRC
 - The power to direct changes to the entire contents of the annual report and accounts, rather than having to seek a court order.
 - The power to investigate and sanction directors (including directors of large private companies) for breaches of their corporate reporting and audit-related duties and responsibilities
- Show leadership on sustainability by alignment with ISSB standards.

Enhancing apprenticeships

- Apprenticeships offer fantastic opportunities. But the scheme is currently too inflexible and bureaucratic, constraining its potential. We would like to see the system made more flexible so that more employers and employees can benefit from it.

We hope that this is helpful. We would be happy to set up a meeting or dinner with senior CGIUKI members to discuss any of these issues further.

Yours sincerely

Sara Drake
Chief Executive Officer
The Chartered Governance Institute UK & Ireland