



Private Intermittent Securities and  
Capital Exchange System (PISCES)

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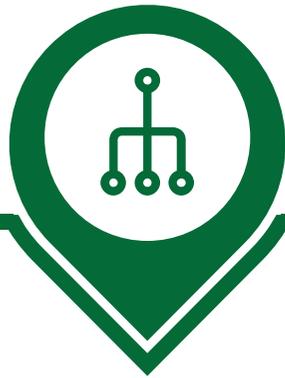
How advantageous is the tax and tax valuation position of selling employee shareholdings through PISCES when compared to other secondary share sales?



# Agenda



**Introduction to  
PISCES**



**The benefit for EMI and  
CSOP**



**Other key tax  
considerations**



**A comparison to a  
traditional secondary  
transaction**



**Planning for PISCES**

# PISCES

## Introduction



A new UK regulatory framework for intermittent trading of private company shares using public market infrastructure



### Increased liquidity

- Supports periodic streamlined trading in private company shares as an alternative to a traditional secondary transaction.
- This includes the opportunity to provide additional moments when shares acquired through employee share plans can be sold.



### A “private-plus” philosophy

- Enhances existing private market disclosure practices rather than imposing public market standards.
- Companies remain a private company throughout and retain control over timing of trading events, auction prices and volume limits.



### Pathway to an IPO or other corporate exit

- PISCES can help establish a share value track record within a regulated market environment and act as a stepping stone to a broader corporate exit event.
- Alternatively, PISCES can be used with no later corporate exit event in mind.

# PISCES

## The benefit for EMI and CSOP options



### Existing options

Options granted before Royal Assent of Finance Act 2026 (likely to be around March 2026):

- can be amended from 15 May 2025;
- solely to include PISCES as an exercise trigger to any extent, without impacting the beneficial tax treatment of the options.

The above is conditional on all shares acquired on exercise of the options being immediately sold on the PISCES trading event.

Variation must be in the form of a written agreement with the option-holder or notified in writing to the option-holder.



### New options

A PISCES trading event can be included as an exercise trigger for new EMI and CSOP options when the options are granted.

# PISCES

## Other key tax considerations

### Valuation

HMRC should accept that shares traded on PISCES (between unconnected parties) have taken place at UK tax market value.



### Stamp duty

Any share transactions on a PISCES exchange will be exempt from stamp duty / stamp duty reserve tax ("SDRT").



### Payroll/RCA status

It is expected that employers will need to account for PAYE/NIC when employees exercise non-tax advantaged share options or other incentive awards as necessary in connection with a PISCES trading event.



# PISCES

How does a traditional “Secondary” compare?



## Discretion

- In practice, many EMI and CSOP options do not permit exercise of options in connection with earlier liquidity events, such as a secondary share transaction.
- In line with HMRC guidance, if such options are amended to allow for an earlier right of exercise this will result in the grant of a new option and likely loss of tax advantages.
- Furthermore, where discretion is used to permit earlier partial exercise of options, HMRC’s view is that the entirety of the option loses the tax advantages.



## Valuation

- Unlike with PISCES share transactions, there is no standard HMRC valuation practice on a traditional secondary share sale.
- Key considerations in relation to:
  - if the shares are being redesignated into a different class (e.g. with more preferential share rights) is additional value flowing to the employee?
  - if there is no redesignation?



## Stamp Duty

- Stamp duty will be payable on shares transferred on a traditional secondary share sale where:
  - the company whose shares are traded is incorporated in the UK; and
  - where the consideration for the transfer is greater than £1,000.

# PISCES

## Planning and future considerations



# PISCES

Support with secondary transactions



Questions?





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