

# Shareholder visibility

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# EuropeanIssuers: the essentials

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- Scope:
  - common interests of companies listed in Europe, across all sectors
- Focus:
  - the regulatory framework
- Goal:
  - strive for right balance between
    - well functioning, liquid markets and
    - a sound issuer-shareholder relationship
- Constituency:
  - Dual membership: 15 natl associations and 60 leading listed companies
  - 15 countries: Austria, Belgium, Bulgaria, Cyprus, Finland, France, Germany, Greece, Italy, Netherlands, Poland, Portugal, Spain, Switzerland, UK
- International not for profit association based in Brussels

# The issuer-shareholder relation

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Today's challenges:

- a contemporary **shareholder**:
  - multiple types of shareholders
- a contemporary **shareholding**:
  - intermediated and cross-border

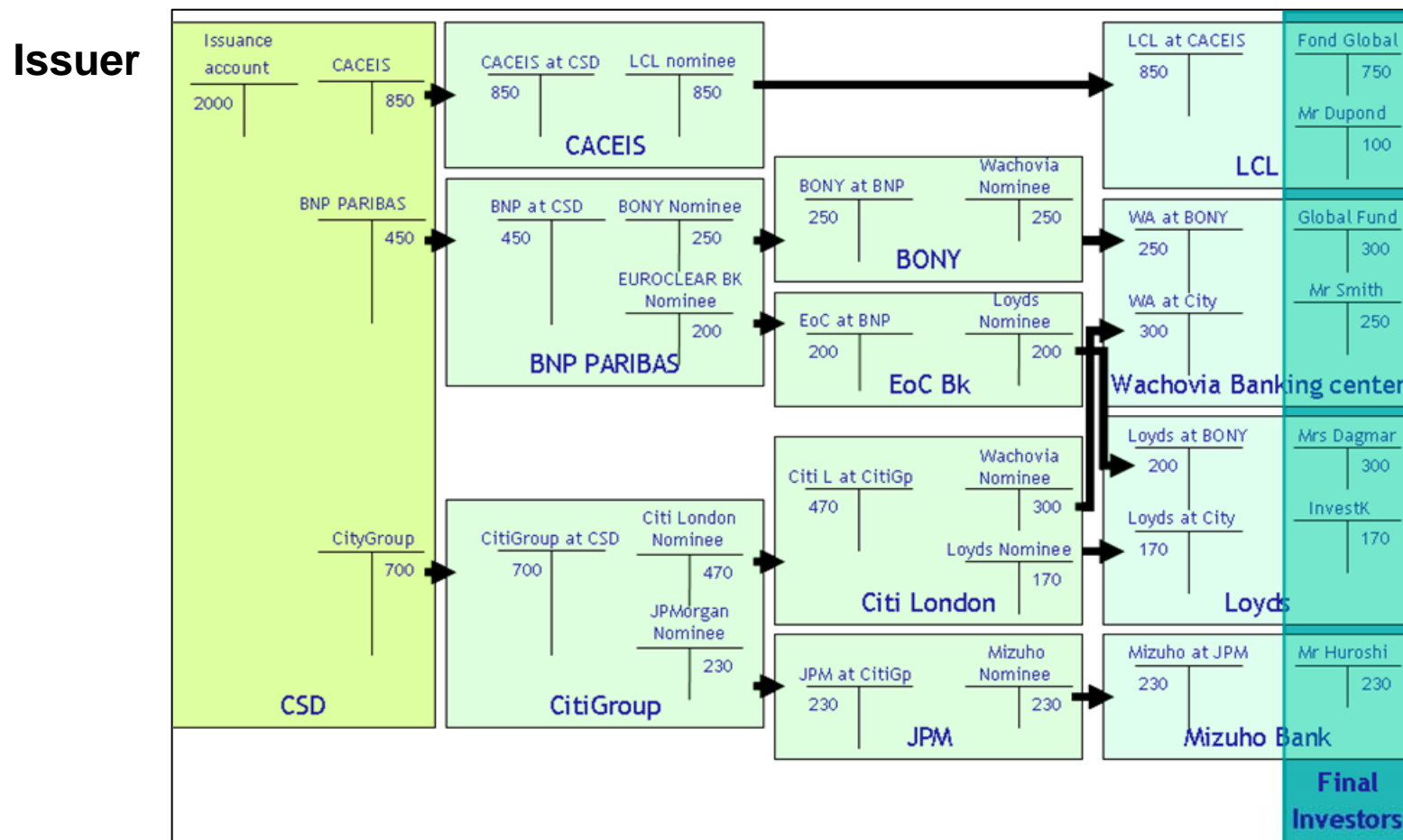
# The contemporary shareholder

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- Bearer vs registered shares
- Legal owners vs beneficial or end owners (having the economic interest/risk)
- Followers vs activists
- Domestic versus cross-border
- Institutional versus retail
- Quick wins versus sustainable value searchers
- Owners of a part of the enterprise (economy) vs speculators in a financial instrument (financial)
- Economically/financially inspired versus politically inspired?

Any more ...?

# A cross-border and intermediated shareholding



# Issuers are left with many questions

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# What is driving issuers?

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- Effective corporate governance relies on the possibility
  - for shareholders to exercise their rights, in particular voting rights
  - for issuers to communicate with the end shareholders
- Shareholder transparency will help to:
  - Increase transparency of voting process at GMs
  - Ensure integrity of voting process
    - Avoid loss of votes/double voting/empty voting
    - Difficult to reconcile received voting instructions with voting rights and voting rights owners
  - Increase participation of shareholders to GMs
  - Avoid “incidental” majorities at GMs: let the long term shareholder have his say
  - Allow an ongoing dialogue with the end shareholder

# What do we need?

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- A European cross border problem calls for a European cross border solution: domestic rules alone will not do
- At the legal level:
  - EU wide framework to allow shareholder transparency
- At the market level: cross sector working groups are developing
  - EU wide market standards for GMs
  - EU wide market standards for CAs

# Securities industry to form the bridge

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**Issuers**



**Shareholders**