



8 May 2018

**Subject: ecoDa's reaction to the consultation on SRD II implementing acts**

*Transparency Register: N°37854527418-86*

Dear Madam, dear Sir,

ecoDa fully supports the objective of the implementing act of the revised Shareholder Rights Directive (SRD II). As expressed in a past ESMA related report (2017), shareholders identification and communication are indeed core areas of corporate governance.

The principle of equal treatment of shareholders, both intermediaries and those who are not intermediaries, should apply to all communication between the issuer and the shareholder. The confirmation of entitlement to exercise shareholders' rights in a general meeting to the shareholders, who are not intermediaries, must therefore be clearly stated.

The communication needs to securely and timely reach the end investor to give voting instructions. Only well-informed shareholders can wisely exercise their rights. We, as directors, firmly believe that such information is crucial for the development of a dialogue between the firm and its shareholders.

Transparency and accountability of institutional investors are relevant for all parties involved (clients, investors as well as investee companies and other capital market parties). Corporate leaders are always interested in understanding the shareholding structure and its evolution. Knowing the identity of the shareholders allows directors to better understand their objectives, to discharge their duties and to make sure that all shareholders have been given equal opportunity to prepare themselves for the AGM. Directors are not always fully aware of the fragmented intermediaries' chain. Important changes in the ownership structure might also send very relevant signals as to the approval or disapproval of the corporate strategy or even a possible take-over in the pipeline.

Institutional investors are responsible for making use of their votes in a responsible manner and in the event of voting against a resolution, they should be incentivized to publicly state the grounds for such decision.

Holding institutional investors and asset managers more accountable towards their customers and final owners is also a valid principle in dealing with the complex investment chain.

However ecoDa has doubts that the final owners will in practice become monitors of such shareholder policy. The Shareholder Rights Directive is based on the assumption that all shareholders have the intention of becoming active owners. The European Commission must be aware that trying to turn all types of shareholders into active shareholders – without incentives – might not be the best route.

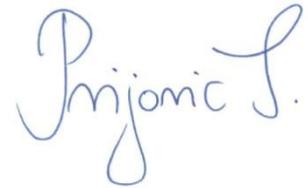
The Member States will have to look at the cost-benefit side when it comes to very small shareholders. ecoDa strongly believes that registration should be the least burdensome possible in order to enforce the principle of equal treatment of shareholders.

Thank you for your attention,

Yours sincerely,



*Béatrice Richez-Baum per procuracionem*  
Michel de Fabiani  
Chair of ecoDa's Policy Committee



Irena Prijovic  
ecoDa's Chair

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*The European Confederation of Directors' Associations (ecoDa) is a not-for-profit association founded in December 2004 under the laws of Belgium. Its objective is to represent the views of company directors from EU member states to corporate governance policy-makers at EU level. ecoDa, the European Confederation of Directors' Associations, is a not-for-profit association acting as the "European voice of board directors".*

*Through its 16 national institutes of directors, ecoDa represents around sixty-five thousand board members from across the EU, ensuring that their views on Corporate Governance are clearly communicated to policymakers in the EU institutions. ecoDa's member organisations represent board directors from the largest public companies to the smallest private firms, both listed and unlisted.*

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