

BETTER FINANCE Responds to Open Public Consultation on the Update of the Rules on Shareholder Rights

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Executive Summary

For individual investors, a reviewed European shareholder rights framework (moving from SRD II towards an SRD III, or best, in part as an SRR regulation) must finally make participation, or related representation, workable and democratic, not a full-time job. It should aim for maximum harmonisation of core AGM procedural rules and set genuine European standards for the corporate governance of listed companies, including common procedures for voting. Shareholder engagement should be treated as an enforceable ownership right, not as a costly, failing cross-border intermediary service controlled by the custody chain.

BETTER FINANCE's priorities are clear: a common shareholder definition anchored in beneficial ownership (and not attached to an intermediary nor custody-tied); direct issuer-shareholder communication as the true standard; harmonised and equal hybrid AGM rules, record dates, deadlines and proof-of-entitlement standards; enforceable end-to-end duties, liability and ESMA oversight; a workable representation framework (i.e. with digital powers of attorney); and no retail charges for voting or exercising their shareholder rights.

Further, digitalisation should become a governance lever for retail investors to receive AGM information automatically, vote through smartphone-ready journeys, and delegate seamlessly to trusted third parties, shareholder organisations or civil society organisations. Issuers

should be able to support such representation at scale, instead of paying high costs merely to identify shareholders through the chain.

In fact, direct issuer-shareholder communication should be recognised as a corollary of both shareholders' rights and issuers' right to identify and reach their shareholders. Issuers should have access to an EU-reconciled record-date shareholder view through interoperable registrar, CSD and custodian data, including via issuer-appointed AGM agents. The objective is to stop intermediaries acting as gatekeepers of core rights and to foster competition on usability, representation and value-added services.

Hybrid AGMs should be the norm, with live participation rights and post-meeting recordings provided as a transparency tool for sound corporate governance of publicly listed companies. Finally, the review should modernise fundholder stewardship, by introducing common EU rules enabling split voting to enable, in turn, pass-through voting. Additionally, attention should be paid to securities-lending loopholes and other practices: no default lending, effective recall rights, and no voting without an explicit beneficial-owner mandate – to prevent empty voting or capture induced by transparency, liability and rights enforcement gaps.

Keywords: Shareholder Rights, Shareholder Identification, AGM participation, shareholder engagement, cross-border voting, Digital representation, power of attorney.

About BETTER FINANCE

BETTER FINANCE is the European federation representing individual savers, investors, and financial services users. Dedicated to promoting transparency, fairness, and accountability, it works to ensure that Europe's financial system serves the real economy and the best interests of its citizens. BETTER FINANCE is a European federation consisting of 40 member organisations across 25 countries. It represents millions of individual investors and other users of financial services and has operated with EU support since 2012. We empower citizens with independent information and education, advocate for fair access to financial markets, and call for policies that place people at the heart of financial decision-making. Through participation in EU advisory groups, research-based advocacy, educational initiatives, and campaigns, we strengthen investor protection, enhance financial literacy, and advocate for effective supervision and governance.

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Questions and answers

1. Shareholders

Definition of shareholder (Article 2 point (b))

The SRD leaves the definition of who qualifies as a shareholder to the Member States in which the company is registered. Consequently, there are different approaches as to who is entitled to exercise shareholder rights across the EU.

Q1.1 – To what extent does the lack of a common definition of ‘shareholder’ in the SRD lead to legal uncertainty?

<input checked="" type="checkbox"/>	To a very large extent
<input type="checkbox"/>	To a large extent
<input type="checkbox"/>	To a moderate extent
<input type="checkbox"/>	To a small extent
<input type="checkbox"/>	Not at all
<input type="checkbox"/>	Don't know/no opinion

If you would like to, please explain your answer:

500 character(s) maximum

A shareholder should be defined, for SRD purposes, as the ultimate beneficial owner: the person holding the shares for their own economic account and bearing the economic risks/tax and this entitled to exercise rights directly (or by giving express mandate/PoA). Legal uncertainty, intermediary capture and empty voting must stop: any “functional” definition/end-investor alternative concept must ensure reaching the non-intermediary owner, after the last intermediary (not a nominee nor custody-chain position).

Q1.2 – How should the EU tackle it?

<input checked="" type="checkbox"/>	By introducing a common definition of ‘shareholder’ applicable to the entire directive, including the exercise of shareholder rights
<input type="checkbox"/>	By introducing a common definition of ‘shareholder’ only for the identification of shareholders
<input type="checkbox"/>	By publishing a list of different definitions of ‘shareholder’ applicable in different Member States
<input type="checkbox"/>	By other means

If you would like to, please explain your answer:

500 character(s) maximum

The lack of a common EU definition creates legal uncertainty in the full shareholder-rights chain: cross-border identification, information to be recognised and enabled to vote, or represented by express mandate/PoA. Divergent concepts

drive fragmentation, costs, intermediary capture, rights exclusion and empty voting. Limiting reform to identification only; or merely listing national definitions, is not enough. A clear SRD-purpose definition is needed, accounting (in)direct shareholders as beneficial owners (shareholder & fundholders alike, including through stewardship for the later).

Q2 - In case a common definition of ‘shareholder’ was to be introduced, which of the following definitions would you advise?

	The person who holds the shares in their own name, even if on behalf of another person (nominee shareholder definition)
	The person on whose securities account the shares are held with the last intermediary in the chain (even where an intermediary in the chain is the nominee shareholder and holds the shares on behalf of that end-investor, end investor definition)
X	Other

If you would like to, please explain your answer:

500 character(s) maximum

Shareholder should mean the ultimate beneficial owner: the person bearing investment risk and entitled to economic benefits, notably dividends (cf. WHT), whose rights are exercised directly or delegated via express mandate. An “end-investor” or “functional” concept risk creating new friction if it remains technical or account-based (by bypassing the true shareholder); it must translate into the non-intermediary owner, after the last intermediary and prevent nominees/custodians to hold voting discretion.

Identification of shareholders (Article 3a)

Member States must ensure that companies have the right to identify their shareholders. This provision aims to ensure the flow of information between listed companies/issuers (in what follows: companies), intermediaries, and shareholders, e.g., for the purposes of corporate action processing. However, Member States may provide that only shareholders holding more than a certain percentage of shares or voting rights fall within the scope of this provision. Such a percentage must not exceed 0.5 %. Therefore, who can be identified as shareholder varies.

Q3 - To what extent does the current right of companies to identify their shareholders facilitate the flow of information between companies, intermediaries, and shareholders?

	To a very large extent
	To a large extent
	To a moderate extent
X	To a small extent
	Not at all
	Don't know/no opinion

If you would like to, please explain your answer:

500 character(s) maximum

Issuers remain too dependent on fragmented depositories, custodians and antiquated intermediary chains to identify and reach shareholders, especially cross-border. Identification thresholds should be removed to avoid shareholding-based discrimination and align with one share = one vote = attendance rights. Shareholder ID is a governance rights-enabling process, not a financial post-trade “corporate action”. Formats, timelines and chains should not obstruct a direct issuer-shareholder interface.

Q4 - Are you aware of any problems related to the identification of shareholders?

<input checked="" type="checkbox"/>	Companies cannot identify all shareholders they would like to identify
<input checked="" type="checkbox"/>	Companies do not know who they can identify
<input checked="" type="checkbox"/>	Communication between companies and intermediaries is difficult, e.g., due to the use of different formats and technologies (Please note that communication problems will be treated in-depth in the next section)
<input checked="" type="checkbox"/>	The quality of shareholder information companies receive is insufficient
<input checked="" type="checkbox"/>	It is unclear how companies can identify shareholders for shares recorded or issued using Distributed Ledger Technology
<input checked="" type="checkbox"/>	Other
<input type="checkbox"/>	Don't know/no opinion

Please specify the other problem(s):

500 character(s) maximum

Problems include divergent shareholder definitions, opaque custodian/CSD practices, omnibus accounts, manual processing, uneven record dates, poor data quality, missing contact details and unclear liability. Shareholder identification should be a governance rights-enabling process, not a financial post-trade “corporate action”. Issuers should access consolidated registrar/shareholder data without duplicative or excessive charges; investors should not face charges following issuer requests.

Q5 - To what extent would the following measures lead to an improvement?

SRD item	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know / no opinion
Companies' right to identify shareholders	X					

without any threshold limiting this right						
EU-wide threshold for the identification of shareholders (please indicate the percentage in the free text box below this table)					X	
Companies' right to identify the holders of all types of registered securities deposited at a central securities depository (e.g., also bond holders)	X					
Issuing or recording shares with Distributed Ledger Technology (such as blockchain)	X					
Specific obligations regarding omnibus accounts, i.e., account enabling any participant in a securities settlement system to hold in one securities account the securities that belong to different clients of that participant	X					
A golden operational record, requiring the issuer to send a record of operational information and enabling all parties in the chain of custody to process the information in the same manner			X			
Possibility to tailor requests on shareholders' identity to the specific needs of companies (e.g., identification of specific groups of shareholders)						X

Improving the possibility of companies to directly contact their shareholders	X					
Other	X					

Please specify the other measure:

Harmonised record date and proof-of-entitlement forms; mandatory transmission of meaningful contact details, not only names; automatic end-to-end vote confirmation when intermediaries/issuers process votes; clear duties and liability if the chain is used (for last intermediaries as point of contact); issuer information on PoA/representation by shareholder organisations; digital reusable PoA; issuer access to reconciled shareholder/registrar data; transparent securities-lending and recall rights.

If you would like to, please explain your answer:

Shareholder identification should be rights-enabling, not mere disclosure. Investors wishing to attend, vote or engage must be identifiable, reachable and also represented via streamlined, reusable e-PoA/proxy tools, without disproportionate costs or barriers. Shareholder democracy should tackle opacity, intermediary capture or empty voting (including through securities-lending transparency/recall rights) and no voting without explicit beneficial-owner mandate. Standard forms as pre-requisite.

2. Interaction between Companies, Shareholders, and Intermediaries

Transmission of information (Article 3b)

The exercise of shareholder rights requires the transmission of information (e.g., on general meetings) from the company to shareholders and conversely (e.g., votes) from shareholders to the company. Intermediaries play an important role in passing on this information. Intermediaries include investment firms, credit institutions, and central securities depositories, which provide services of safekeeping shares, administrating shares or maintaining securities accounts on behalf of shareholders or other persons.

Q6 - To what extent have the following measures contributed to the smooth flow of information between shareholders and companies? Please note that the details of the measures described are contained in Commission Implementing Regulation (EU) 2018/1212.

Measure	To very large extent	To large extent	To moderate extent	To small extent	Not at all	Don't know / no opinion
Companies' obligation to provide intermediaries with the relevant information in a timely manner, no later than on the same business day on which it announces the corporate event (e.g., general meeting)			X			
Companies' obligation to provide intermediaries with the relevant information in a standardised manner			X			
Intermediaries' obligation to transmit the information provided by the companies to the shareholders without delay			X			
Intermediaries' obligation to transmit information related to the exercise of shareholder rights from the shareholder to the companies without delay			X			
Intermediaries' obligation to transmit information in a standardised manner				X		
Intermediaries' obligation to directly transmit information to the company or the shareholder where this can be done despite the involvement of more than one intermediary (chain of intermediaries)					X	

If you would like to, please explain your answer:

500 character(s) maximum

The measures often remains theoretical or incomplete, while subordinated to the intermediary chain (gatekeeping); diluting liability, and preventing direct issuer-shareholder communication. Voting & AGM information are governance processes, and ISO/STP standards should not entrench mandatory intermediation, but be usable by issuers/investors. Rather, issuers' AGM service providers to connect seamlessly with custodians, while enabling issuers, via banks/brokers (where/if relevant).

Q7 - Are you aware of any problems related to the transmission of information?

<input checked="" type="checkbox"/>	Information does not reach recipients
<input checked="" type="checkbox"/>	Information is received late
<input checked="" type="checkbox"/>	Information quality is insufficient (e.g., the information is incomplete)
<input checked="" type="checkbox"/>	Communication between companies, intermediaries and shareholders is difficult (e.g., differing formats and technologies)
<input checked="" type="checkbox"/>	High costs for information transmission services (please note that costs are also treated in a section below)
<input checked="" type="checkbox"/>	Other
<input type="checkbox"/>	Don't know/no opinion

Chain risk and restrictive market practices: the longer the cross-border custody chain, the easier for AGM information, deadlines or voting instructions to be delayed, altered or lost, esp. cross-border. Record date or Intermediary cut-off dates can prevent proper reflection, while proxy voting is the only option to vote (not engage live). Moreover, de facto share-blocking may persist where shares must be immobilised to register or vote, while securities lending practices may prevent recall.

Q8 - To what extent would the following measures lead to an improvement?

Measure	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know / no opinion
Facilitating direct communications between companies and shareholders	<input checked="" type="checkbox"/>					
Mandating the use of a single standard format for all information exchanged, enabling straight-through processing (STP) without any manual intervention	<input checked="" type="checkbox"/>					
Facilitating communication through technical solutions which allow automatic and instantaneous access to information	<input checked="" type="checkbox"/>					
Enabling or increasing the use of shares issued or recorded with Distributed Ledger Technology, allowing e.g., programmed communication	<input checked="" type="checkbox"/>					
Other						

500 character(s) maximum

Other

Bring EU framework clarity by harmonising record dates and deadlines; ensure automatic end-to-end vote confirmation; an EU shareholder definition anchored in the beneficial owner/non-intermediary; clear duties and liability across the chain; and mandate a reconciled EU shareholder/registrar view (consolidating identification data from custodians, CSDs and registrars) to be accessible to issuers as a right, and translating into a shareholder right to be identified – free of charge.

If you would like to, please explain your answer:

ISO/STP standards and digital tools can help, but must be usable by issuers and shareholders, not only intermediaries. Digitalisation should enable direct issuer-shareholder communication, not merely optimise intermediary-controlled processes. Beyond a golden operational record from issuer to chain, priority should be access to consolidated shareholder identification data; which shareholder are empowered to use directly. Complex request of information via the chain should be prevented).

Facilitation of the exercise of shareholder rights (Article 3c)

Intermediaries do not only play an important role in transmitting information but in facilitating the exercise of shareholder rights. Whether shareholders exercise their rights themselves or through proxy holders that act on their behalf – they all need to prove their entitlement.

Q9 - To what extent have the following measures facilitated the exercise of shareholder rights? Please note that the details of the measures described are contained in Commission Implementing Regulation (EU) 2018/1212.

Measure	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know / no opinion
Requiring the last intermediary to confirm, upon request, to the shareholder or third party nominated by the shareholder, the entitled position appearing in its records						X
Requiring the last intermediary to ensure that the entitled positions in its records are reconciled with those of the first intermediary						X
Requiring an electronic confirmation of receipt of the votes when votes are cast electronically				X		
Requiring a confirmation that votes have been validly recorded and counted by the company to be sent upon request					X	
Requiring standardised notifications for corporate events such as general meetings and shareholder participation therein						X

If you would like to, please explain your answer:

500 character(s) maximum

Most provisions could have helped if properly enforced and made truly mandatory. Vote confirmations should be automatic whenever intermediaries process voting

instructions, not only upon request. Likewise, confirmation that votes were validly recorded and counted by the issuer remains too limited in practice. The process should be streamlined so shareholders and issuers can communicate effectively: the intermediary chain should serve them, not capture the process, and instead add genuine value (delegation tools, analytics via third parties, transparency).

Q10 - Are you aware of any problems related to the facilitation of shareholder rights?

X	Difficulties with cross-border use of evidence for the entitlement to exercise shareholder rights (e.g., certificates of holding for shareholders and powers of attorney for proxy holders), which might include belated or no receipt of confirmation of entitlement, national form requirements for powers of attorney or similar obstacles
X	Required documentation by Member States to prove the entitlement to exercise shareholder rights (e.g., certificates of holding for shareholders and the powers of attorney for proxy holders) is often still paper-based
X	Late, inconsistent, or incomplete reconciliation of share positions across the chain of intermediaries, preventing shareholders from being recognised as entitled to exercise their rights
X	Differences in record dates across Member States (i.e., the date on which shares must be held by shareholders for them to be entitled to vote and exercise other shareholder rights at general meetings) render the cross-border exercise of shareholder rights difficult
X	Voting cut-off dates (i.e., the dates for submitting votes set by custodians) set well in advance of the general meeting giving shareholders little time to analyse meeting information
X	Convocation date may be too close to the date of the general meeting
X	Meeting material may be provided too close to the date of the general meeting
X	Lack of transparency in post-meeting confirmations and information
X	Other
	Don't know/no opinion

Please specify the other measure:

500 character(s) maximum

Undue barriers include intermediaries/custodians requiring share-blocking after the record date to register and vote; proxy-only or advance-voting models preventing live AGM participation; excessive cross-border fees for voting, admission cards or certificates; lack of automatic vote confirmation; and unclear liability where intermediaries delay, misprocess or prevent the exercise of rights. Direct issuer-investor communication is not a default – often impossible or impeded across border.

Q11 - To what extent would the following measures lead to an improvement?

Measure	To a very large extent	To a large extent	To a moderate extent	To some extent	Not at all	Don't know / no opinion
Introducing a standardised proof of entitlement for the exercise of shareholder rights	x					
Prescribing that the power to represent the shareholder for proxy holders should be possible in electronic format under certain security conditions	x					
Ensuring proofs of entitlement and powers of attorney are interoperable with cross-border and harmonised electronic authentication frameworks (e.g., EU Digital Identity Wallet, EU Business Wallet)	x					
Enabling or increasing the use of shares issued or recorded with Distributed Ledger Technology		x				
Enabling automated functions in the shares and programmable shares to exercise shareholder rights			x			
Introducing (more detailed) EU-wide deadlines/timelines for: a) Convocation of general meetings; b) Publication of meeting materials; c) Record dates; d) Cut-off dates	x					
Updating shareholder registers	x					
Shortening the 15-day maximum deadline for publishing voting results		x				

Requiring publication of voting results for each class of shares	x					
Enabling instantaneous and automated receipt of vote confirmation	x					
Other	X					

Please specify the other measure:

500 character(s) maximum

Harmonise notice and record dates EU-wide (ideally 30 and 15-20 days prior AGM), and make intermediary cut-off dates workable (i.e. broker/custodian deadlines for votes, proxy instructions or PoA). Implement streamlined, digital & reusable Power of attorney (mandate/proxy forms) by introducing common rules for a 'shareholder representation right', and ensure issuer access to updated shareholder registers to enable tailored issuer-investor AGM servicing, without mandating incumbent-controlled chains.

If you would like to, please explain your answer:

These measures should make shareholder rights practical, and not theoretical. A common record date gives legal clarity across border, while workable cut-off dates ensure shareholders have time to review AGM materials and act. Digital PoA/proxy forms would facilitate representation, including by (independent) shareholder organisations and activate social role of investing. Vote confirmation and updated registers would reduce uncertainty, failed votes and dependency on opaque intermediary chains.

500 character(s) maximum

Non-discrimination, proportionality and transparency of costs (Article 3d)

In line with the objective to facilitate the exercise of shareholder rights, any charges imposed by intermediaries must be publicly disclosed, non-discriminatory and proportionate.

Q12 - Are you aware of any problems related to the fees or charges imposed by intermediaries?

<input checked="" type="checkbox"/>	High costs in cross-border settings disincentivise the exercise of shareholder rights
<input checked="" type="checkbox"/>	Differences in charges of intermediaries between the domestic services and cross-border intra-EU services do not reflect the difference in actual costs incurred for delivering these services
<input checked="" type="checkbox"/>	Lack of transparency as to how intermediaries calculate their charges
<input checked="" type="checkbox"/>	Other
	Don't know/no opinion

Please specify the other problem(s):

500 character(s) maximum

Monetising legal ownership rights is problematic. Voting and AGM participation must not be treated as optional services, but as a free rights intrinsic to share ownership. Fees from institutional asset-servicing relationships should not be used as a benchmark for individual investors. Any processing should not be charged to retail investors as costs should in principle be borne by issuers, through streamlined processes recognising both issuer and investor rights, not entrench high-cost chains.

Q13 - To what extent would the following measures lead to an improvement?

Measure	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know / no opinion
Fixed charges for specific services				x	x	
Maximum ceilings for charges for specific services				x		
Clarification of who (company, intermediary, shareholder) pays for which request	x					
Standardised terminology for the types of charges and services	x					
Standardised format for disclosure of charges	x					
Central database or comparator of intermediaries' charges structures to ensure transparency	x					
Other						x

Please specify the other measure:

500 character(s) maximum

Core shareholder-rights services, especially voting and AGM participation, should be free of charge for retail investors. These are legal ownership rights, not optional intermediary services. Costs should in principle be borne by issuers, while any excessive or even duplicative charges across the chain should be prevented (one servicing, one charge, no duplication, centralised systems).

If you would like to, please explain your answer:

500 character(s) maximum

Charging retail investors to vote or attend AGMs is hard to justify and sends the wrong signal for the SIU/CMU. The better analogy is dividends or capital measures: processing may be needed, but investors are not separately charged to receive ownership rights. Caps help but the aim should be no retail charge: issuer-borne costs (a fraction of their custody) via streamlined shareholder ID/ registrar access, and more competition/innovation in AGM services (third-party providers may be positive).

Third-country intermediaries (Article 3e)

The SRD also applies to third-country intermediaries which have neither their registered office nor their head office in the EU when they provide services with respect to shares of companies which fall under the SRD.

Q14 - Are there any problems with the Directive's provision on third-country intermediaries?

500 character(s) maximum

In principle, third-country intermediaries should comply with the same SRD obligations when servicing shares of EU listed companies. As non-EU actors may sit within EU custody chains, they should not create enforcement blind spots for shareholder ID, information transmission, vote confirmation, fees or proxy mandates. Custody arrangements must not allow voting without an explicit beneficial-owner mandate or weaken EU shareholder protections.

Q15 - If you see any problems, which measures would improve the situation?

500 character(s) maximum

[Refer to previous answers]

3. Institutional Investors and Asset Managers (Articles 3g, 3h and 3i)

A strong level of engagement of institutional investors and asset managers is crucial for the long-term performance of companies. Therefore, the SRD subjects them to certain transparency requirements.

Q16 - To what extent is the objective of the Shareholder Rights framework of increasing the level of engagement of institutional investors and asset managers in order to improve the long-term performance of the company still relevant today?

X	To a very large extent
	To a large extent
	To a moderate extent
	To a small extent
	Not at all
	Don't know/no opinion

If you would like to, please explain your answer:

500 character(s) maximum

Institutional investors & asset managers have the greatest real impact, usually by voting ahead of AGMs, since many citizens invest only as fundholders/indirect shareholders. Tension between short-term pressure and long-term value creation remains (reinforced by ESG, CSRD and EU competitiveness). “Comply or explain” falls short: reporting should be mandatory and more prescriptive, while and voting should better reflect client preferences, especially for SFDR funds, split/pass-through voting.

Q17 - To what extent have the following measures increased the level of engagement of institutional investors and asset managers?

Measure	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know / no opinion
Institutional investors and asset managers must publicly disclose – on a “comply or explain” basis – a shareholder engagement policy				X		
Institutional investors and asset managers must publicly disclose each year – on a “comply or explain” basis – how their engagement policy has been implemented				X		
Institutional investors must publicly disclose how their equity investment strategy contributes to the long-term performance of their investee companies				X		
Institutional investors must publicly disclose – on a “comply or explain” basis – details regarding their arrangements with their asset managers				X		
Asset managers must annually report to their institutional investors – or to the public – on how their investment strategies and implementation thereof contribute to the long-term performance of the assets of the institutional investors or of the funds			X			

If you would like to, please explain your answer:

500 character(s) maximum

Transparency only improved at the margin (but “comply or explain” remains weak and often result in formulaic info). Even when available, such disclosures are hard to find (hidden in funds’ website). Overall, they do not ensure meaningful (long-term) engagement nor that voting reflects end-investor preferences via genuinely pursued sustainability objectives. Stronger principles, more comparable/comprehensible reporting, and better links to actual voting behaviour and client preference are needed.

Q18 - Are you aware of any problems related to the provisions on institutional investors and asset managers, e.g., related to reporting?

500 character(s) maximum

The framework does not sufficiently ensure disclosures are comparable, decision-useful and aligned with clients' long-term interests. Our research, including bilateral interviews and survey from institutional investors and proxy representatives, suggests recurring concerns around limited comparability of reporting and insufficient transparency on stewardship outcomes – including engagement and escalation. Main issues: hard to find disclosures and gaps between policies and voting behaviour.

Q19 - To what extent would the following measures lead to an improvement?

Measure	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know / no opinion
Expanding public disclosure related to engagement policy and investment strategy of institutional investors and asset managers			X			
Reducing public disclosure related to engagement policy and investment strategy of institutional investors and asset managers					X	
Clarifying the elements of the engagement policy and the equity investment strategy	X					
Turning certain reporting or "comply or explain" obligations into mandatory requirements	X					
Introducing an EU-wide stewardship code of best practices	X					
Other	X					

Please specify the other measure:

500 character(s) maximum

Modernisation requires voting and engagement to better reflect end-investor preferences, especially for fundholders. This should include stronger reporting on actual votes cast, pass-through voting where feasible, EU-wide split voting, easier use of power of attorney or other preference-accounting tools, and clearer links to transition-plan requirements. Delegation/representation by independent third parties or shareholder organisations is also highly relevant for shareholder democracy.

If you would like to, please explain your answer:

500 character(s) maximum

An EU stewardship code, or at least parallel industry principles on transition plans, should complement enhanced SRD transparency rules by clarifying minimum expectations for engagement policies, including links with SFDR: voting, escalation, governance and outcome reporting to switch box-ticking for accountability. Stewardship should better reflect client preferences (fundholders / indirect investors). Actual votes cast and the rationale must be reported, and empowering tools practicable.

4. Proxy Advisors (Article 3j)

Proxy advisors provide research, advice and voting recommendations to shareholders on how to vote, based on, among others, the information disclosed by the company. Therefore, proxy advisors are important actors in the corporate governance processes of companies.

Q20 - To what extent have the following measures improved the reliability, comparability and quality of advice of proxy advisors?

Measure	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know / no opinion
Application of a code of conduct on a "comply-or-explain" basis				x		
Disclosure to the public of information in relation to the preparation of proxy advisors' research, advice and voting recommendations				x		
Disclosure to the client of conflicts of interests and actions taken to address them						x

If you would like to, please explain your answer:

500 character(s) maximum

Again, transparency improvements are needed, yet impact may remain limited as "comply or explain" weak, and disclosures and methodologies are not comparable. Conflict reporting mostly serve institutional clients; as retail investors are mostly excluded from proxy advisory services – yet they are indirectly affected through voting outcomes and market-wide governance influence.

Q21 - Are you aware of any problems related to proxy advisors?

X	Revenue sources and potential conflicts of interest of proxy advisors are not disclosed transparently
	It is unclear which actors fall under the provisions on proxy advisors
	Proxy advisors' disclosure on dialogue with companies is not satisfactory

	Handling of company complaints is not satisfactory
X	Proxy advisors' approaches to research, advice and voting recommendations are not disclosed transparently
X	Proxy advisors' adherence to a code of conduct is not transparent
X	Accountability and transparency of proxy advisors are limited
	Enforcement of the regulatory framework between EU and third-country proxy advisors is uneven
	Other
	Don't know/no opinion

Q22 - To what extent would the following measures lead to an improvement?

Measure	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know / no opinion
Clarifying the definition of proxy advisor under the SRD			X			
EU-wide code of conduct for proxy advisors		X				
Specifying key features an industry code of conduct should have			x			
Additional transparency and disclosure requirements for proxy advisors				X		
Reducing disclosure requirements for proxy advisors					x	
EU-wide basic registration of proxy advisors with activity in the EU		x				
EU-centralised supervision of proxy advisors		x				
National competent authority oversight of proxy advisors						x
Other						x

If you would like to, please explain your answer:

500 character(s) maximum

Transparency should remain primarily client/investor-facing, while proxy advisors should be more accountable on conflicts, revenue sources, methodology, recommendations and code adherence, so (institutional) investors can assess the quality and independence of vote advice. This should indirectly protect retail investors, as institutional votes often shape AGM outcomes; issuers are not the clients and already have channels to respond or engage. The aim is stronger scrutiny, not issuer influence.

5. General Meeting of Shareholders

General considerations

One of the general objectives of the SRD is to improve corporate governance by strengthening shareholder rights, among other means, by increasing meaningful participation in general meetings. Over recent years, especially during the COVID-19 pandemic, the practice of general meetings has evolved significantly. These developments lead to new potentials for shareholder engagement but also raise risks regarding the effective exercise of shareholder rights.

Q23 - What is the best format for the exercise of shareholder rights?

	In-person general meeting
	Virtual only general meeting
X	Hybrid general meeting
	Exercise of rights prior to (outside) general meetings
	Other
	Don't know/no opinion

Q24. Not all Member States offer companies and their shareholders the possibility to freely choose the format of general meetings (in-person, virtual, or hybrid) and the timing for exercising shareholder rights (at or prior to general meetings). To what extent would aligning rules across the EU to allow companies to opt for the following formats lead to an improvement?

Measure	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know / no opinion
In-person only general meetings				x		
Virtual-only general meetings					x	
Hybrid general meetings (i.e., where each shareholder is able to choose between in-person and virtual attendance)	x					

Requiring shareholders to exercise certain rights prior to the general meeting					X	
Adopting shareholder resolutions outside general meetings					X	
Other	X					

Please specify the other measure:

500 character(s) maximum

AGM recordings should be made available after the meeting as a transparency and accessibility tool. Hybrid AGMs should be the norm, with live speaking, live questioning, live voting and equal treatment of remote and physical participants. Note that recordings should complement, and never replace, real-time full participation physical participants. Note that recordings should complement, and never replace, real-time full participation rights (on-site & online).

If you would like to, please explain your answer:

500 character(s) maximum

Hybrid AGMs best combine modernity via accessibility and accountability. In-person-only meetings may limit cross-border participation, while virtual-only formats are detrimental by weakening scrutiny and shareholder interaction. Also, shareholders should not be forced to exercise rights only before the AGM, as this prevents them from reacting to the debate. EU rules should ensure meaningful participation during the meeting, direct digital access and vote, and transparency items post-meeting.

Q25 - To what extent is there a need for common EU rules on the format of general meetings?

Measure	To very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know / no opinion
Each shareholder must be able to choose between in-person and virtual attendance (hybrid general meetings)	X					
Each shareholder must be able to exercise their	X					

rights during the general meeting						
Each shareholder must have the possibility to also exercise their rights prior to the general meeting			X			
There should be minimum standards to safeguard shareholder rights and legal certainty in the context of virtual participation	X					
Other	X					

Please specify the other measure:

500 character(s) maximum

Shareholders should be able to access AGMs and vote directly through simple digital tools, without being forced into advance proxy voting by intermediaries. EU rules should cover harmonised record dates, proof of entitlement, live questions, real-time voting and end-to-end vote confirmation. They should also ensure harmonised delegation / digital powers of attorney (PoA to foster independent or third-party representation). Thresholds should not restrict agenda items or live questions..

If you would like to, please explain your answer:

500 character(s) maximum

Common EU rules are highly needed. Today, shareholders often cannot access AGMs easily, cannot vote directly, or are pushed by intermediaries into advance proxy voting, which weakens meaningful participation during the meeting itself. Hybrid AGMs should be the norm, with minimum standards ensuring live questions, live voting, legal certainty, and equal treatment of remote participants, including via direct issuer-shareholder communication interfaces and limit intermediation or vote capture.

The rights of shareholders

The SRD includes a number of basic shareholder rights, which might be in need of an update.

Q26 - To what extent were the following shareholder rights strengthened by the SRD?

Shareholder right	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know / no opinion
Right to receive information prior to the general meeting				X		
Right to put items on the agenda			X			
Right to table draft resolutions			X			
Right to vote in the general meetings				X		
Right to vote by correspondence			X			
Right to ask questions				X		
Right to appoint a chosen proxy holder				X		

If you would like to, please explain your answer:

500 character(s) maximum

In practice, exercising these rights too often remains a “full-time job”, especially cross-border. AGM access is difficult, voting is pushed into non-intuitive advance processes, costs can be prohibitive, deadlines and thresholds remain fragmented, and questions or resolutions can be filtered out or made impractical. Formal rights exist, but usability varies across Member States, weakening equal treatment. Greater EU clarity and harmonisation are needed to support the SIU and reduce arbitrage.

Q27 - Are you aware of any problems related to the exercise of shareholder rights, among the following?

X	Not all relevant shareholder rights are provided for in the SRD, hindering cross border investments
X	Many aspects of existing shareholder rights are left to the Member States, hindering cross-border investment
X	Existing shareholder rights are not sufficient to ensure sound corporate governance

X	Delays and inefficiencies regarding the vote casting and counting infrastructures
X	Persisting practices lead to share blocking effects (operational constraints to transfer shares within a certain period before a general meeting)
X	Persisting practices impede split voting
X	Other
	Don't know/no opinion

If you would like to, please specify which ones are missing and why:

500 character(s) maximum

Missing rights include: a practical right to receive AGM information in a language retail investors can understand; harmonised power of attorney rules (streamlines) a right to free cost participation, as fees for admission cards, proxies or holding certificates exclude small shareholders; a right to live digital participation and vote confirmation; and enforceable liability where intermediaries delay, lose or misprocessed rights. Without these, cross-border ownership remains formal rather than effective.

Please specify the other problem(s):

500 character(s) maximum

Overall shareholder rights is a complex, costly and often failing intermediary service rather than an enforceable ownership, AGM and voting right. For retail investors, especially cross-border, voting (and even more so attending) can be a “full-time job”: information is late/missing, procedures differ, high fees, liability is diluted, and votes may be blocked or unconfirmed. Multiple-vote shares add inequality and uncertainty; proxy voting is often the only option provided instead of attendance.

Q28 - To what extent would the following measures lead to improvements?

Measure	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know / no opinion
Enabling shareholders to speak at the general meeting or to submit opinions prior to it	X					
Enabling shareholders to challenge resolutions under certain common conditions	X					
EU-wide conditions for attendance of shareholders and proxy holders	X					

Standardised protocols for vote casting and counting		X				
EU-wide threshold of share ownership for the right to put items on the agenda and to table draft resolutions						X
Lowering the current 5 % optional threshold of share ownership for the right to put items on the agenda and to table draft resolutions	X					
Other						

Please specify the other measure:

500 character(s) maximum

Guarantee live speaking rights at AGMs, not only pre-submitted opinions ahead of the meeting. Uphold one share–one vote as the principle, especially as multiple-vote structures have expanded while shareholder-rights usability remains weak. If thresholds apply, they should be paired with easy digital delegation/representation, including to shareholder associations, standardised powers of attorney, and safeguards against intermediaries voting without explicit mandate. Issuers should also provide access to AGM recordings as a transparency tool.

If you would like to, please explain your answer:

500 character(s) maximum

Ask questions should always be feasible and in justified cases issuers may answer in writing within a reasonable timeframe. Shall EU-wide threshold be retained for tabling resolutions, it must be balanced with easy delegation/representation, including via shareholder associations. A minimum number of shareholders is to be excluding fixed capital thresholds, alongside a review of “acting in concert” rules. Intermediaries must inform shareholders and never vote without explicit mandate (blank proxies).

Link between directors’ pay and companies’ performance (Articles 9a and 9b)

One of the goals of SRD was to foster the long-term performance of the company. Thus, it aimed to improve the incentives for directors to act in the interest of the company by linking directors’ pay to the long-term performance of the company.

Q29 - To what extent is the objective of the Shareholder Rights framework of increasing the link between directors’ pay and long-term performance of the company in order to improve the long-term performance of the company still relevant today?

<input checked="" type="checkbox"/>	To a very large extent
<input type="checkbox"/>	To a large extent
<input type="checkbox"/>	To a moderate extent
<input type="checkbox"/>	To a small extent
<input type="checkbox"/>	Not at all
<input type="checkbox"/>	Don’t know/no opinion

If you would like to, please explain your answer:

500 character(s) maximum

Linking directors’ pay to long-term performance is essential to align management incentives with shareholder interests and/or sustainable value creation. “Say on pay” is a core accountability tool. Yet, advisory votes may be too weak where boards can disregard significant shareholder dissent. SRD II should enhance remuneration transparency while strengthening board responsiveness and moving towards more shareholder influence, especially where pay is deemed excessive or unjustified.

Q30 - To what extent have the following measures contributed to the alignment between directors’ pay and long-term performance of the company, by diminishing incentives for directors to focus on short-term returns?

Measure	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don’t know / no opinion
Companies must publish a remuneration policy based on which remuneration to directors is paid	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Companies must publish a report on directors’ remuneration for the most recent financial year	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Shareholder vote on the remuneration policy and reports	<input checked="" type="checkbox"/>					
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If you would like to, please explain your answer:

500 character(s) maximum

Remuneration guidelines from the EU Commission should be drafted and enable transparent, comparable reports. The measures go to the core of directors' accountability; remuneration policy and reporting create transparency, while shareholder votes is a relevant tool to influence board behaviour/long-term company direction. Where "say on pay" remains non-binding in many Member States, it should become more binding & align with sustainable long-term performance (including warranting an linked with "say on climate").

Q31 - Are you aware of any problems related to the existing rules on the long-term performance of the company and the link between directors' pay and companies' performance?

	Current rules are too burdensome
X	Member States can make the vote of shareholders on the remuneration policy only advisory
X	Shareholders' vote on the remuneration report is only advisory
X	Member States can replace the shareholders' vote on the remuneration report by a discussion requirement
X	Executive remuneration is not comparable across companies
	The Directive is insufficiently applied/enforced
	Other
	Don't know/no opinion

Q32 - To what extent would the following measures lead to an improvement?

Measure	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know / no opinion
Binding vote of shareholders on director remuneration		X				
Simplified rules on remuneration policy				X		
Simplified rules on remuneration reports				X		
Other	X					

Please specify the other measure:

500 character(s) maximum

At the core of directors' accountability, remuneration policy and reporting create transparency, while shareholder votes remain a relevant tool to influence board behaviour and long-term company direction. Where "say on pay" remains non-binding, boards should at least be required to respond to significant dissent and resubmit where needed, with better alignment to sustainable long-term performance. EU remuneration guidelines would help. Climate-transition strategy may warrant 'say on climate'

Related party transactions (Article 9c)

The SRD aims at protecting the interests of the company and shareholders in case of transactions with related parties that risk leading to an appropriation of value

of the company by controlling shareholders or members of the management body. The SRD aims at minimising their possible negative impact by requiring the public announcement of the related party transaction and the approval by the general meeting or by the supervisory or administrative body.

Q33 - To what extent is the objective of the Shareholder Rights framework, to minimise the possible negative impact of related party transactions in order to improve the long term performance of the company, still relevant today?

	To a very large extent
X	To a large extent
	To a moderate extent
	To a small extent
	Not at all
	Don't know/no opinion

Q34 - To what extent have the following measures contributed to minimising the possible negative impact of related party transactions?

Measure	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know / no opinion
Public announcement of related party transactions (transparency)	X					
Approval of related party transaction by the general meeting (shareholder involvement) or by the administrative or supervisory body	X					
Extension of transparency requirements to transactions between related parties of the company and its subsidiaries	X					
Report as to whether the related party transaction is fair and reasonable (optional for Member States)	X					

Q35 - Are you aware of any problems with the provisions on related party transactions?

	It is unclear which transactions qualify as material related party transactions
	Too many options for Member States, lead to fragmentation
	Extensive rules on which transactions qualify as material related party transactions lead to complexity and legal uncertainty
	Other
X	Don't know/no opinion

Q36 - To what extent would the following measures lead to improvements?

Measure	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know / no opinion
Specifying which transactions qualify as material related party transactions (including quantitative ratios)		X	x			
Providing fewer options for Member States and introducing more rules on related party transactions		X				
Other						X

6. Enforcement

Member States have to provide for measures and penalties which are effective, proportionate and dissuasive.

This is to ensure that the shareholder rights provided for in the SRD are effectively enforced.

Q37 - Are you aware of any problems regarding enforcement?

X	Insufficient supervision by Member States' competent authorities
X	Unclear which Member State is competent for the enforcement of the Directive
X	Legal uncertainty, especially on scope of the SRD and the definition of central concepts
	Other
	Don't know/no opinion

Q38 - To what extent would the following measures lead to improvements?

Measure	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know / no opinion
Transferring certain SRD provisions into a regulation	X					
Codes of conduct developed by the private sector				X		
Peer review mechanisms		X				
EU guidelines				X		
Supervision by an EU authority, e.g., ESMA	X					
Other						

Please specify the other measure:

500 character(s) maximum

ESMA should have a stronger role in supervising and enforcing cross-border SRD obligations. In practice, NCAs can fail to attribute failures to a competent authority, (as company law, securities law and intermediaries overlap). In cross-border custody chains, no single NCA oversees the full process, thus enforcement gaps are unresolved. An EU-level supervision can ensure better process, notably for identification, information transmission, vote confirmation, fees and intermediary compliance.

If you would like to, please explain your answer:

500 character(s) maximum

7. Additional information

Q39 - Do you have any final comments or suggestions, e.g., on any aspects not sufficiently covered by the SRD framework?

1500 character(s) maximum

For individual investors, any SRD III/SRR should make shareholder rights workable – not a full-time job. Engagement must be treated as an enforceable ownership right, not as a costly, failing cross-border intermediary service. Priorities are: a common shareholder definition anchored in beneficial ownership; direct issuer-shareholder communication; harmonised & equal hybrid AGM rules, record dates, deadlines; proof-of-entitlement standards; enforceable end-to-end duties, liability and ESMA oversight; no retail charges for voting and representation framework/PoA rules. Digitalisation should be a governance lever for retail investors to receive AGM information automatically, vote through smartphone-ready journeys, and delegate seamlessly to trusted third parties/shareholder organisations/CSOs. Issuers should be able to pay for such PoA/representation process at scale on behalf of retail investors, instead of paying high costs merely to (attempt to) identify shareholders through the chain. Issuers should access EU reconciled record-date shareholder view via interoperable registrars/CSD/custodian data, including via a issuer-appointed AGM agents; so intermediaries no longer are agent of control/capture. Hybrid AGMs should be the norm, with live participation rights and post-meeting recordings as a transparency tool. The review should also modernise fundholder stewardship, by introducing split vote for pass-through voting and close securities-lending loopholes (no default lending, recall rights) and no voting without explicit beneficial-owner mandate.

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